Human Resources and Employment

Ministry Annual Report

2005 | 2006

Alberta Human Resources and Employment

This report was prepared on behalf of the Ministry by the Department of Alberta Human Resources and Employment in collaboration with the Personnel Administration Office, the Alberta Labour Relations Board, and the Appeals Commission for Alberta Workers' Compensation.

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PREFACE

PUBLIC ACCOUNTS 2005/2006

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

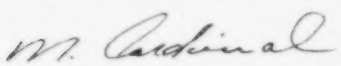
The annual report of the Government of Alberta released June 2006, contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Human Resources and Employment contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **the financial statements of entities making up the Ministry,**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as part of financial statements, to the extent that the Ministry has anything to report, and**
- **additional information relating to the Department of Alberta Human Resources and Employment, Personnel Administration Office, Alberta Labour Relations Board, Appeals Commission for Alberta Workers' Compensation, and Workers' Compensation Board.**

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2006, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 8, 2006 with material economic or fiscal implications of which I am aware have been considered in preparation of this report.



Mike Cardinal, MLA
Minister
MLA for Athabasca-Redwater Constituency

Message from the Minister

As Minister, I oversee the Department of Alberta Human Resources and Employment (AHRE), the Personnel Administration Office (PAO), the Alberta Labour Relations Board (ALRB), and the Appeals Commission for Alberta Workers' Compensation (Appeals Commission), and have legislative responsibility for the Workers' Compensation Board (WCB).

The **Department of Alberta Human Resources and Employment** (AHRE) met or exceeded the majority of its performance measure targets in 2005/2006. AHRE demonstrated leadership in labour force development and in helping Albertans achieve independence and self-sufficiency by investing almost $727 million to offer training and career planning, ensuring workplaces were safe and fair, and providing supports to those Albertans who needed them.

Through Alberta Works, the Department helped individual Albertans get the skills, career and labour market information they needed to find and keep jobs. Opportunities were provided to increase Albertans' labour force participation, with 80% of program participants working three months after completing their program. AHRE increased its partnership initiatives with industry and employers to better connect Albertans with employment and labour market information.

There were over three million visits to the Alberta Learning Information Services (ALIS) website and over 1.4 million services were accessed through over 59 Labour Market Information Centres last year. There was a 48% increase in the jobs posted to the Canada-Alberta Job Order Bank Service, and the "Job Match" feature on the website gave employers and job seekers the chance to connect with each other.

The income support caseload continued to decrease, even as Alberta's population increased. With Alberta's strong economy, many people found new opportunities to enter the workforce. AHRE helped them do this by connecting them to the training and resources they needed.

Improvements were made to the supplemental benefits that help Albertans in specific situations, such as those fleeing domestic violence. Alberta's supplemental benefits are among the best in Canada.

We developed and announced the government policy, *Supporting Immigrants and Immigration to Alberta*. The policy outlines strategies to attract and retain immigrants to Alberta to help address skill and labour shortages, and support the successful transition of immigrants into Alberta's social, economic and cultural life.

Partnering with Advanced Education, AHRE developed government's 10-year labour force development strategy, *Building and Educating Tomorrow's Workforce*. The strategy was developed in consultation with individuals, businesses and employers, industry and professional associations, labour organizations, education and training organizations, Aboriginal groups, various orders of government and volunteer/community agencies.

Building and Educating Tomorrow's Workforce focuses on improving the supply of workers with the right skills, including groups that are under-represented in the workforce; developing highly skilled, educated and motivated people; and fostering innovative and safe work environments.

Workplaces that are safe and fair continued to be a priority for the Department. We initiated the Employment Standards review by holding public and stakeholder consultations, including employer and worker feedback. In addition, we implemented an increase in the minimum wage to $7.00 per hour from $5.90 per hour.

Work Safe Alberta is one of our most important initiatives, and it was awarded the silver 2005 Institute of Public Administration of Canada Award for innovative management. In 2005, the lost-time claim rate dropped to an all-time low of 2.4. This represents over 14,000 prevented lost-time worker injuries each year and over $220 million in annual direct WCB claims cost savings since 2000. Given Alberta's booming economy and the increased number of inexperienced workers entering the workforce, a lost-time claim rate of 2.4 is a significant achievement.

Last year, 98% of expired collective agreements were settled without a work stoppage – another substantial achievement. Even with a low unemployment rate and a shortage of skilled workers in some sectors, Alberta enjoys a healthy and stable labour relations climate.

As Minister responsible for the **Personnel Administration Office** (PAO), I would like to commend provincial government employees for their ongoing commitment to excellence building a stronger province for current and future generations.

PAO continues to work with other ministries to address human resource challenges facing our government in a province with a strong economy and a highly competitive labour market.

Work over the past year included completion of a three-year collective agreement between the Government of Alberta and the Alberta Union of Provincial Employees. Efforts also continued to ensure the total compensation package the government offers its employees is appropriate.

Employee retention and attraction initiatives were developed or enhanced this past year. Work included the introduction of a new program for executive managers to move between ministries to expand their knowledge and skills. A video to promote the public service as a first-rate career choice, and a registration service for students looking for summer employment with the government, were also launched on the web.

A positive supervisor-employee relationship and a safe and healthy workplace are central to employee performance. Three one-day conferences to provide supervisors with tools to strengthen their supervisory skills were held and a new process for ministries to enhance their health and safety programs was developed in 2005/2006.

PAO worked on ways to improve electronic human resource processes, including a web-based tool to improve the access supervisors have to human resource information. The department also helped lead an initiative to foster the sharing of information about employee engagement and best practices among provincial and federal public services in Canada.

The **Alberta Labour Relations Board** administers, interprets and enforces Alberta's collective bargaining laws in an impartial, knowledgeable, efficient, timely and consistent way. The Board's key activities were centred on its obligations to resolve issues arising from Alberta's labour relations activities. The resolution of the majority of issues surrounding the Lakeside dispute in Brooks was the most significant event of 2005/2006.

The **Appeals Commission for Alberta Workers' Compensation** is an independent entity that reports to me. The Commission continued to hear appeals from decisions of the review bodies of the WCB.

This ministry's accomplishments are the result of the hard work, dedication and commitment of HRE's staff. I look forward to the continued achievements of this ministry, as we all work together to help make Alberta a better place to live and work.

Honourable Mike Cardinal
Minister, Human Resources and Employment

Management's Responsibility for Reporting

The Ministry of Human Resources and Employment includes:

Department of Human Resources and Employment
Personnel Administration Office

The Executive of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the Executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Human Resources and Employment. Under the direction of the Minister, we oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister* and the Public Service Commissioner*, in addition to program responsibilities, we establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

- Provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- Provide information to manage and report on performance,
- Safeguard the assets and properties of the Province under Ministry administration,
- Provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Human Resources and Employment any information needed to fulfill their responsibilities, and
- Facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling our responsibilities for the Ministry, we have relied, as necessary, on the Executives of the individual entities within the Ministry.

Ulysses Currie
Deputy Minister
Alberta Human Resources and Employment

Shirley Howe
Public Service Commissioner
Personnel Administration Office

September 8, 2006

* As per the *Financial Administration Act*, the Deputy Minister of Alberta Human Resources and Employment, and the Public Service Commissioner of the Personnel Administration Office, co-sign the Management's Responsibility for Reporting for the Ministry Annual Report.

Overview of the Ministry

Ministry of Human Resources and Employment

OVERVIEW

The Ministry of Human Resources and Employment consists of the following:

- Department of Alberta Human Resources and Employment
- Personnel Administration Office
- Alberta Labour Relations Board
- Appeals Commission for Alberta Workers' Compensation
- Workers' Compensation Board – Alberta
- Occupational Health and Safety Council

The Department of Alberta Human Resources and Employment, Personnel Administration Office, the Alberta Labour Relations Board, and the Appeals Commission for Alberta Workers' Compensation Annual Reports are contained in individual sections within this overall Annual Report.

Financial information (only) for the Workers' Compensation Board (WCB) is included in this report. Additional WCB information is provided annually to the Minister in a separate report.

The Occupational Health and Safety Council produces a separate report to the Minister.

Ministry of Human Resources and Employment

Vision, Mission and Core Businesses

VISION
Albertans have a fair, safe and supportive environment in which to live and work.

MISSION
To foster fair, safe and productive workplaces, enable individuals to succeed in a changing workforce, and assist people in need by providing a continuum of services, programs and information.

CORE BUSINESSES

Department of Alberta Human Resources and Employment

Core Business 1: People Investments

Goal 1 Low-income Albertans can meet their basic needs

Core Business 2: Skills Investments

Goal 2 Albertans have the skills, supports and information they need to succeed in the labour market

Goal 3 Alberta has a productive workforce that meets the needs of the economy today and in the future

Core Business 3: Workplace Investments

Goal 4 Alberta has a fair, safe and healthy work environment

Personnel Administration Office

Core Business 4: Human Resource Management

Goal 5 An integrated, effective and enabling human resource management framework in the Alberta public service

Goal 6 An engaged and healthy public service that is positioned to meet emerging and diverse government goals

Alberta Labour Relations Board

Core Business 5: Labour Relations – Adjudication, Investigations and Mediation

- Goal 7 The Alberta labour relations community receives timely, effective and efficient services
- Goal 8 Promote use of Alternative Dispute Resolution methods to solve issues before reaching formal hearings
- Goal 9 Make clear and timely decisions for the parties to quickly implement the resolution

Appeals Commission for Alberta Workers' Compensation

Core Business 6: Appeal Services from Workers' Compensation Decisions

- Goal 10 Provide a timely appeal service
- Goal 11 Provide fair decisions on appeals
- Goal 12 Provide accessible and transparent appeal services

Department of Alberta Human Resources and Employment (AHRE)

The Department of Alberta Human Resources and Employment provides the following programs and services through three core businesses of people, skills and workplace investments.

Core Business 1:
PEOPLE INVESTMENTS: *Providing the foundations for people in need*

The Department, through Alberta Works, provides the following programs and services to help Albertans with low incomes meet their basic needs and move into the workforce:

Income Support
Income Support provides financial benefits for individuals and families who do not have the financial resources to meet their basic needs, for students participating in Skills Investment training programs, and for some apprentices. These benefits include allowances for food, clothing, shelter, and supplementary benefits to meet special needs such as for employment and training assistance or to meet the special needs of children. Supplementary health coverage is also provided.

Child Support Services
Child Support Services assists single parents and parents of blended families obtain child support agreements or court orders, and registers them for enforcement, collection and disbursement with the Maintenance Enforcement Program, Alberta Justice. Child support income plays an important role in assisting families to achieve financial independence. Child Support Services is provided to persons receiving Income Support and other eligible Albertans.

Alberta Child Health Benefit
The Alberta Child Health Benefit (ACHB) provides a premium-free health benefit plan for children up to age 19 who live in families with low incomes. Dependents who are 18 and 19 years old must be attending high school. The program reduces child poverty and promotes parents' attachment to the workforce. The ACHB provides coverage for prescription drugs, eyeglasses, basic dental care, emergency ambulance services and essential diabetic supplies.

Alberta Adult Health Benefit
The Alberta Adult Health Benefit (AAHB) provides premium-free health benefits to eligible Albertans with low incomes, including Not Expected to Work clients and persons with dependent children who have left Income Support for employment. This program promotes former Income Support clients' attachment to the workforce. AAHB provides prescription drugs, essential diabetic supplies, dental, eye exams and glasses and emergency ambulance services. AAHB recipients are also enrolled in the Alberta Health Care Insurance premium-free group.

Core Business 2:
SKILLS INVESTMENTS: *Helping people to be their best at learning and work*

The Department, through Alberta Works and various programs and services, provides the following to help Albertans get the skills and training they need to find and keep a job:

Career Information
Career Information programs and services provide current or prospective employees, employers and service providers with information and resources to make well-informed decisions about education, careers, employment and labour force development. Information is offered in person at Labour Market Information Centres or through the Careers in Motion mobile unit, through a career information hotline and through the Alberta Learning Information Service website.

Career Development Services provides career planning, job search and labour market information through assessment services, career consulting services, and career and employment workshops.

Youth Connections provides Albertans aged 16 to 24 with career and employment assistance including career and employment planning and counseling, workshops and work exposure.

Job Order Bank Services (JOBS) is a job bank service for Albertans seeking employment and for employers who are looking for workers.

Job Placement Services helps people find and get jobs, and match those who are ready, willing and able to work with employers needing to fill jobs.

Work Foundations
Work Foundations provides Albertans with low incomes with basic skills training and academic upgrading to increase their employment opportunities and reduce their dependency on financial support. Work Foundations' Basic Skills Training program includes English as a Second Language, Basic Literacy and Numeracy, Adult Basic Education and Life Skills/Personal Management while Academic Upgrading provides grades 10 to 12 training.

Training for Work
Training for Work provides full and part-time occupational training for Albertans with low incomes to improve their employment situation and be self-sufficient. This program includes:

Job Skills Training – provides occupationally focused classroom- and workplace-based training of 12 months or less. This training teaches skills that are in demand by local employers and may be combined with academic and general employability skills. Job Skills Training programs include Integrated Training, Occupational Training and Workplace Training including work experience.

Self-Employment Training – provides formal instruction in business plan development, as well as business counseling, coaching, guidance and follow-up during business plan implementation.

Disability Related Employment Supports (DRES) – provides assistance to persons with disabilities to overcome barriers to employment related to their disability. DRES is available to support eligible individuals in the Work Foundations, Training for Work and Career Information programs.

Summer Temporary Employment Program (STEP) – provides career-focused, full-time work experience placement, during the spring and summer months, for Alberta post-secondary and high school students or recent graduates. Qualified community-based, not-for-profit or public sector organizations such as governments, post-secondary institutions, health authorities, First Nations and Métis Settlements and school divisions can apply for STEP wage subsidy reimbursements.

First Nations Training To Employment Program (FNTEP) – supports the development of partnerships with industry, training providers, unions, governments and the private sector to assist unemployed or underemployed First Nations people, who primarily live on reserves, to gain skills and knowledge to obtain and maintain long-term employment.

Workforce Partnerships

Workforce Partnerships are designed to assist working Albertans to improve their skills so they can contribute to Alberta's economic growth and meet the demand for skilled workers. The partnerships are also intended to identify, develop and implement labour force adjustments and human resource development strategies through industry and community partnerships.

Labour Market Partnerships (LMP) – identify, develop and implement projects with organizations, industry sectors and communities with common labour market needs. Projects include activities such as a labour market environmental scan, as well as the development of a strategic plan to address skill shortages and promote workforce effectiveness.

Core Business 3:
WORKPLACE INVESTMENTS: *Supporting workplaces to make Alberta prosperous*

The Department works with government, industry and labour stakeholders to develop joint strategies and provides programs and services to ensure Alberta has fair, safe and healthy workplaces.

Employment Standards
The Employment Standards program enforces the *Employment Standards Code* and Regulation, which establishes minimum standards of employment for most employers and employees working in Alberta. Registered complaints are investigated when employees believe they have received less than minimum employment standards and are unable to resolve the matter with their employer. Inspections are also carried out on targeted employers and industry sectors that have shown continued non-compliance with minimum employment standards.

The Employment Standards Registrar oversees employer and employee appeals under the *Employment Standards Code*.

Employment Standards Partnerships
Employment Standards Partnerships supports voluntary partnerships with industry to enable them to comply with the *Employment Standards Code*. The program also provides comprehensive, hands-on training seminars and workshops that give participants a better understanding of workplace rights and obligations and minimum standards. In addition, the program helps Albertans become familiar with the requirements of the *Employment Standards Code* including payment of wages, hours of work, overtime, severance and layoff, holidays, and maternity and adoption leave.

Professions and Occupations
The Professions and Occupations program works in partnership with professional associations, affected stakeholders and other government departments to develop and implement standards to regulate non-health professions in the public interest. Through this program, Albertans are provided information on or assistance with complaints about professionals, professional associations and land agents. In addition, the program ensures Alberta meets its Labour Mobility responsibilities under the Agreement on Internal Trade. Labour Mobility is the freedom of workers to practice their occupation wherever opportunities exist in Canada.

Workplace Health and Safety
The Workplace Health and Safety program enforces the *Occupational Health and Safety Act*, Regulation, and Code by responding to complaints, serious incidents and fatalities, recommending prosecution of an employer or worker if evidence reveals a significant failure to follow regulations, and inspecting targeted industries and employers with poor occupational health and safety performance. During site visits, employers and employees are assisted in improving their safety and workplace standards knowledge.

Workplace health and safety is promoted in partnership with stakeholder groups, safety associations, labour organizations and employers under established minimum health and safety standards in the *Occupational Health and Safety Act* and Regulation. Various user-friendly explanation guides, posters, and educational materials are created to promote healthy, fair and safe worksites.

The **Work Safe Alberta** initiative is a joint industry, safety association, labour, Workers' Compensation Board – Alberta (WCB) and government effort to reduce injuries and fatalities on Alberta worksites. The program includes public awareness, health and safety education, industry best practices, learning resource development for health and safety in schools, updated legislation, and increased compliance efforts and prosecutions.

Workplace Health and Safety Partnerships
Workplace Health and Safety Partnerships is a province-wide injury prevention program that promotes workplace health and safety through voluntary partnerships with industry groups, safety associations, education institutes, labour organizations and employers to build effective health and safety programs and reduce injuries. A Certificate of Recognition (COR) is provided to employers who have developed health and safety programs that have met established standards. This program links to the WCB Partners in Injury Reduction Program, and is a key component in the Work Safe Alberta initiative.

Labour Relations
The Department provides strategic advice, dispute resolution services and policy and legislative development in support of Alberta's labour laws.

The *Labour Relations Code (Code)* provides a fair and balanced framework for collective bargaining in Alberta. If parties are unable to resolve their differences, the *Code* provides mechanisms to assist in reaching a settlement including the Voluntary Arbitration Board, Compulsory Arbitration Board, Disputes Inquiry Board and the Public Emergency Tribunal.

The **Meditation Services** program promotes positive relationships between employers and unions and assists in resolving labour disputes. Either the union or the employer may request the appointment of a mediator or grievance arbitrator in accordance with the *Code*. Mediation is required prior to the parties being legally permitted to strike or lock out. The mediator works with the parties to resolve issues and reach a new agreement. Grievance arbitration is used when there is a disagreement over the interpretation of the collective agreement or when one party believes the other has violated the terms of the collective agreement.

Workplace Effectiveness programs help employers, employees, unions and industry associations work together by offering facilitation services, education, workshops and partnership opportunities. These programs and services promote positive relationships between employers and unions and help address workplace issues, build stronger workplace relationships, and create and enhance safe and sustainable workplaces.

Workplace Partnerships
The Workplace Partnerships program works with employers, employees, safety and industry associations, unions, and chambers of commerce to ensure Alberta workplaces have access to solutions for their workplace relationship requirements. These partnerships also assist employers and workers in building effective health and safety management systems and ensure that employer associations, employers and employees throughout Alberta receive quality information about employment standards and workplace health and safety.

Overview of AHRE's Divisional Functions

The Department of Alberta Human Resources and Employment consists of five divisions:

- Delivery Services
- People and Skills Investments
- Workplace Investments
- Strategic Services
- Corporate Services

Each division is supported by AHRE Communications. All divisions have key activities relative to AHRE's core businesses and provide support to cross-ministry initiatives.

Delivery Services Division
Delivery Services is the primary contact point for Albertans in accessing most of AHRE's programs, services and information. It is comprised of service delivery staff in six regions across the province and Centrally Delivered Services' Contact Centres. Delivery Services puts into action AHRE's programs and services by assisting Albertans in finding and keeping jobs to succeed in the workforce, assisting employers in meeting their needs for skilled workers, and providing financial and health benefits to Albertans with low incomes.

People and Skills Investments Division
People and Skills Investments creates innovative and effective policies and programs to provide assistance to Albertans with low incomes and to support industry to develop a productive workforce that meets the needs of the economy. The division is responsible for Alberta Works and other programs to ensure Albertans have the skills, supports and information they need to succeed in the labour market.

Workplace Investments Division
Workplace Investments provides legislative and policy development and strategic advice for labour relations, employment standards, workplace health and safety, professional and occupational legislation and governance and workplace partnerships. In addition, the Division provides compliance services for employment standards and workplace health and safety.

Strategic Services Division
Strategic Services' mandate is to provide strategic advice, information and planning in support of a strategic focus and evidence-based decision making in AHRE. Strategic Services provides strategic information, performance measures and effective practices, labour market and workplace analysis, Alberta immigration policy and programs, legislative planning and development and career, labour market and workplace information.

Corporate Services Division
Corporate Services provides support across AHRE for finance, human resources, information management and application support, and information and privacy services. The Appeals Secretariat is also part of Corporate Services and helps ensure Albertans receive a fair, impartial and independent review of decisions about their financial benefits from several government departments.

Communications
Communications supports the Minister and represents the Department by providing strategic advice and practical support for media relations, advertising, and public information. Communications provides advice to all AHRE Divisions and ensures that Albertans are aware of the programs and services available to them and provides news releases, media information, internal and external communication, pro-active communications programs and planning, website information and communications materials.

Personnel Administration Office (PAO)

Core Business 4:
HUMAN RESOURCE MANAGEMENT: *Providing strategic leadership of human resource management in the Alberta public service*

PAO is the corporate human resources arm of government. PAO works with departments to develop cross-ministry human resource strategies and policy frameworks in a variety of areas to support departments in achieving their business plan goals and build a strong public service. PAO is also responsible for the delivery of strategic human resource support services.

PAO is organized into the following areas:

- Human Resource Policy and Consulting
- Corporate Human Resource Development
- Employee Engagement
- Executive Search
- Corporate Services
- Human Resources and
- Communications

Human Resource Policy and Consulting

Human Resource Policy and Consulting develops human resource strategies and policy frameworks and provides expert consulting to departments in the areas of benefits, classification, compensation, labour relations and workplace health. This area represents the employer on behalf of government in the negotiation and administration of the collective agreement, develops policies on compensation and benefit plans and provides programs that support positive, healthy and safe work environments for public service employees.

Corporate Human Resource Development

Corporate Human Resource Development develops human resource strategies and policy frameworks and provides expert consulting to departments in the areas of corporate human resource and succession planning, staffing, and workforce development. This area also provides support to Executive Council and the Deputy Minister Steering Teams for the Corporate Human Resource Development (CHRD) Strategy and Corporate Executive Development. CHRD also provides a leadership role as key liaison with the Office of the Auditor General and manages the Corporate Employee Survey, Alberta Public Service Jobs website, and the Premier's Award of Excellence.

Employee Engagement

Employee Engagement provides a focus for the development of positive and productive workplaces through the advancement of employee engagement, retention and performance management strategies. Building human resource capacity across government is a strategic priority for this area, as is leveraging the human resource information systems to support effective decision making.

Executive Search

Executive Search provides a corporate search program to attract and recruit executive managers and senior officials; offers search consulting services to significant agencies, boards and commissions to recruit senior executives and board members; assists departments in facilitating internal and external moves; and coaches Corporate Executive Development Program participants on resume writing, interview preparation and follow-up.

Corporate Services

Corporate Services provides strategic information management services and business support services to PAO; manages related shared services agreements; coordinates the development and implementation of PAO's Information Management and Information Technology Plan; and also coordinates PAO's business planning and client satisfaction survey processes.

Human Resources

The Human Resources office for PAO provides departmental human resource support, advice and leadership to PAO managers and staff.

Communications

The Communications office provides a wide range of communication supports and services to PAO branches and divisions, the Public Service Commissioner, Executive Council and the Minister and Premier's Offices.

Alberta Labour Relations Board (ALRB)

Core Business 5:
LABOUR RELATIONS – ADJUDICATION, INVESTIGATIONS AND MEDIATION:
Impartial application of Alberta's labour laws

The Alberta Labour Relations Board is a quasi-judicial body responsible for the application and interpretation of Alberta's labour relations laws. Both the Minister and the Deputy Minister maintain an arm's length relationship with the Board.

Appeals Commission for Alberta Workers' Compensation (Appeals Commission)

Core Business 6:
APPEALS SERVICE FROM WORKERS' COMPENSATION DECISIONS: *Hearing worker and employer appeals arising from WCB review body decisions*

The Appeals Commission is a quasi-judicial body that is the final level of appeal from decisions of the Workers' Compensation Board. It operates at arm's length from the Workers' Compensation Board and the government.

Other Ministry Entities

Workers' Compensation Board – Alberta (WCB)

The Workers' Compensation Board is an employer-funded organization providing employers and workers with efficient and affordable disability and liability insurance. The WCB is an independent, board-governed organization operating under the *Workers' Compensation Act*. It reports to the Minister of Alberta Human Resources and Employment and compiles a separate annual report. WCB financial statements are included in this annual report.

Occupational Health and Safety Council

The mandate of the Occupational Health and Safety Council is to advise the Minister of Alberta Human Resources and Employment (AHRE) on matters concerning the *Occupational Health and Safety Act* and on matters related to the health and safety of Alberta workers. In addition, the Council is empowered to hear appeals of orders issued by Occupational Health and Safety Officers, maintain the *Occupational Health and Safety (OHS) Code*, and perform related duties and functions that may be assigned by the Minister.

Organizational Charts

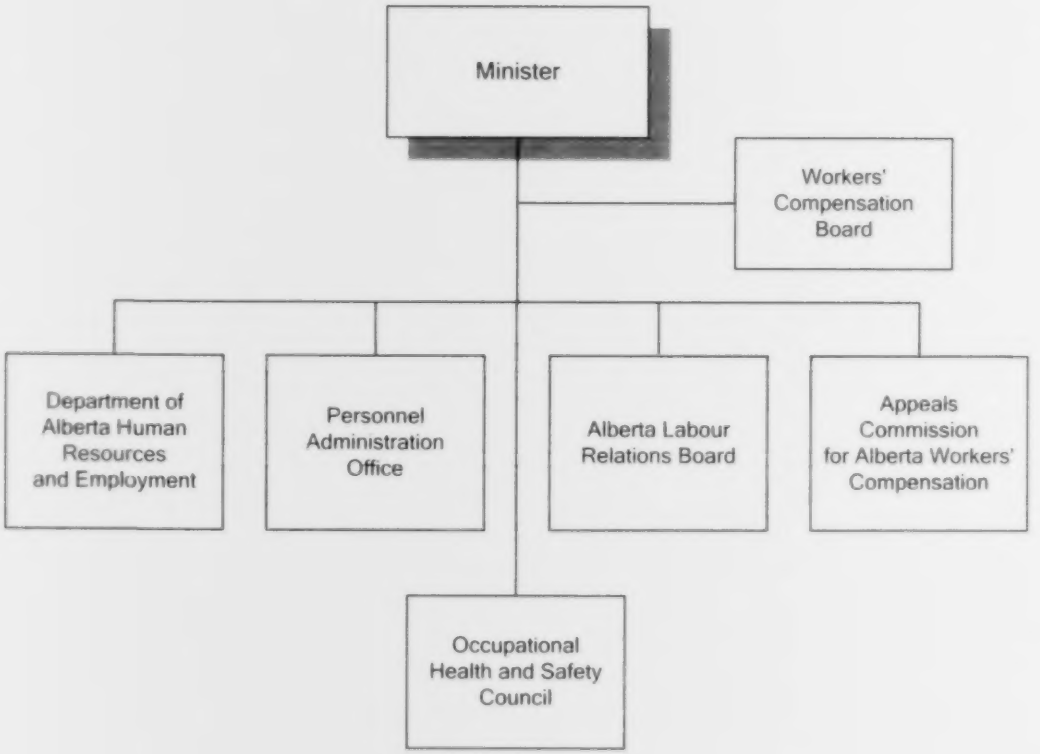
Ministry of Human Resources and Employment

ORGANIZATIONAL CHARTS

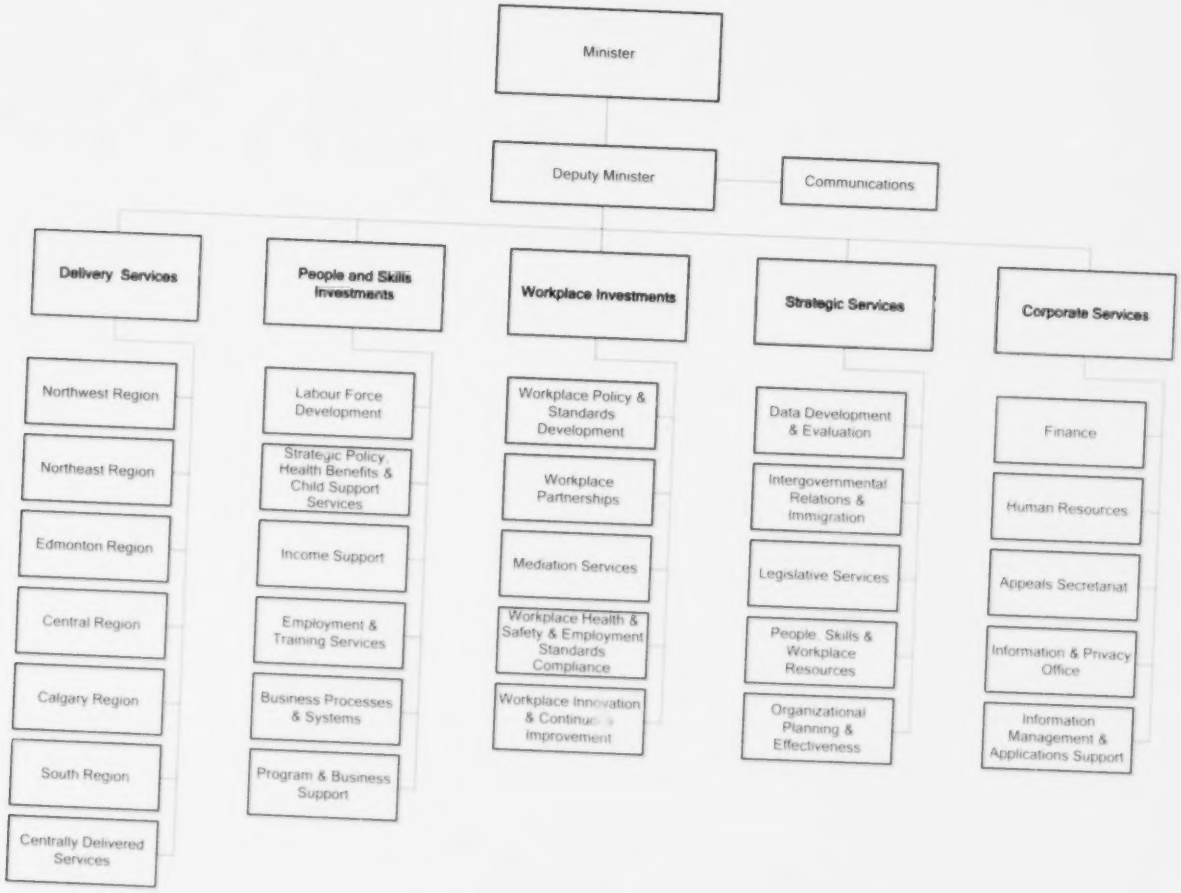
Ministry of Human Resources and Employment

- Department of Alberta Human Resources and Employment
- Personnel Administration Office
- Alberta Labour Relations Board
- Appeals Commission for Alberta Workers' Compensation

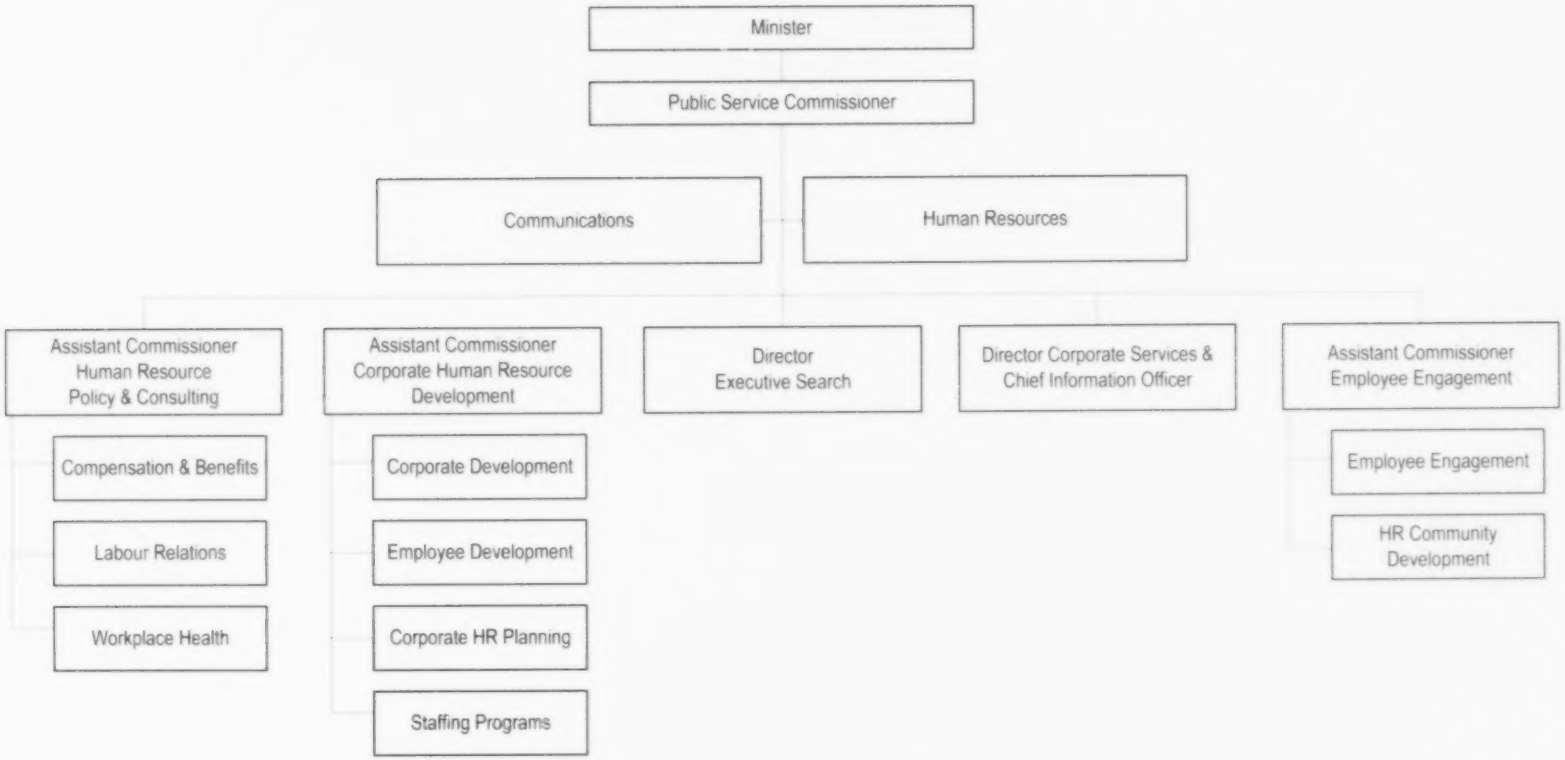
Ministry of Human Resources and Employment


Minister
Workers' Compensation Board
Department of Alberta Human Resources and Employment
Personnel Administration Office
Alberta Labour Relations Board
Appeals Commission for Alberta Workers' Compensation
Occupational Health and Safety Council

Department of Alberta Human Resources and Employment

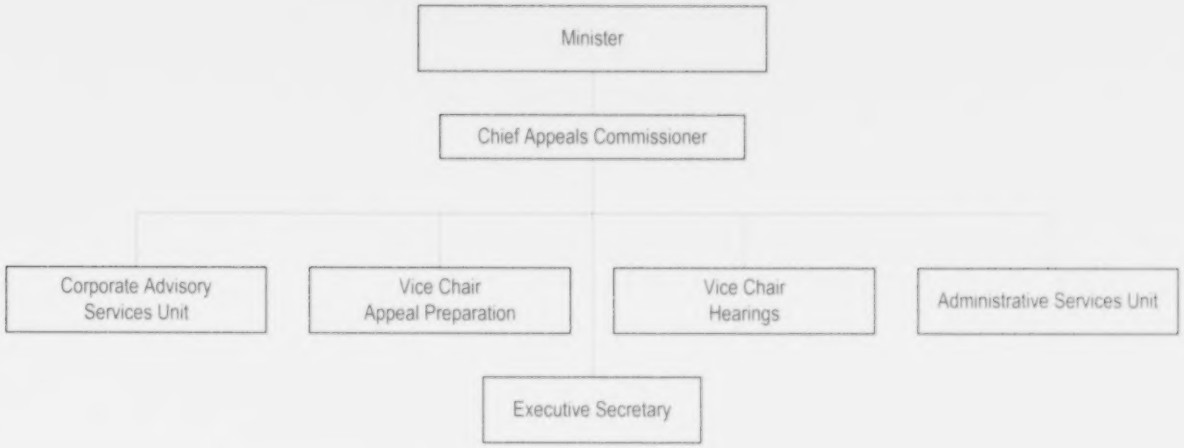


Personnel Administration Office



Alberta Labour Relations Board

Appeals Commission for Alberta Workers' Compensation



Summary of Ministry Key Activities

Ministry of Human Resources and Employment

SUMMARY OF MINISTRY KEY ACTIVITIES

- Department of Alberta Human Resources and Employment
- Personnel Administration Office
- Alberta Labour Relations Board
- Appeals Commission for Alberta Workers' Compensation

Alberta Human Resources and Employment

The vision of Alberta Human Resources and Employment is clear – "Alberta works because we invest in people." In the past year, AHRE achieved success and demonstrated leadership in labour force development and in helping Albertans achieve independence and self-sufficiency. The Department met or exceeded the majority of its business plan performance targets. Some of the 2005/2006 highlights of the strategic achievements in relation to its four business plan goals were:

Goal 1: Low-income Albertans can meet their basic needs

Through Alberta Works, the Department provided financial assistance, health benefits, and child support services to Albertans with low incomes so they could meet their basic needs and be as independent as possible. Benefits were increased for eligible Income Support clients (some clients living with family received an additional $100 per month for shelter costs; parents with newborns were supported to stay at home to care for the baby for a longer period). The Department also promoted programs such as Child Support Services, Alberta Child Health Benefit and Alberta Adult Heath Benefit to help clients achieve self-sufficiency and independence. As well, coverage of the "escaping family violence" Income Support benefit was expanded to support those fleeing non-spousal violence.

The Department continued to enhance its service delivery model to provide career information and conduct a service needs assessment before Albertans apply for income support and to focus employment initiatives on helping applicants obtain and maintain employment.

AHRE partnered on the Families First Edmonton research project with the City of Edmonton, other government ministries and the University of Alberta to determine if the co-ordinated delivery of a number of services provides families with low incomes with better outcomes.

Goal 2: Albertans have the skills, supports and information they need to succeed in the labour market

The Department, through Alberta Works and other programs and services, helped individual Albertans to get the skills, services, and career and labour market information they need to find and keep a job. AHRE provided skill development opportunities to Albertans to increase the labour force participation of under-represented groups. The Department's skill development programs continued to positively impact the economy and AHRE's clients, as 80% of program participants reported employment three months after completing their program.

Albertans continued to access AHRE's services. There were over 3 million visits to the Alberta Learning Information Services (ALIS) website and more than 1.4 million services were accessed through AHRE's Labour Market Information Centres during 2005/2006. Further, there was a 48% increase in the number of jobs posted on the Canada-Alberta Job Order Bank Service and the "Job Match" feature on the website provided employers and job seekers an opportunity to connect with each other. In addition, the Department provided labour market information to various stakeholders across Alberta (e.g., *2005 Alberta Wage and Salary Survey* and *Alberta Labour Market Outlook 2006*).

Goal 3: Alberta has a productive workforce that meets the needs of the economy today and in the future

The Department worked collaboratively with industry, partners and other levels of government to effectively assess and anticipate labour market trends and address issues related to human resource development, labour shortages, skill deficits, immigration policy, workforce planning and productivity.

To support Alberta's workforce needs, AHRE provided Albertans with opportunities to develop their knowledge and skills and apply them as participants in the labour force. The Department also engaged in more partnership initiatives with industry and employers to connect Albertans with employment, enable Albertans to make informed career choices and share labour market information. In addition, AHRE led development of Phase One of the *linkAlberta.info* gateway to facilitate the sharing of labour force information with private and public stakeholders.

At 72.6%, Alberta's labour force participation rate continued to lead the country. However, 33 occupational groupings were in a skill shortage situation in 2005. To address the growing skill shortages with the robust economy of 2005/2006, AHRE hosted the *Developing a World Class Labour Force* forum for industry, employers, training providers and other public sector stakeholders to obtain strategy input and support and presented the discussion paper *Understanding Alberta's Labour Force: Looking to the Future*.

The Department led a number of initiatives regarding immigration policy. Perhaps the most significant accomplishment in this area was the development of a government immigration policy focused on attracting and retaining skilled immigrants: *Supporting Immigrants and Immigration to Alberta*.

Goal 4: Alberta has a fair, safe and healthy work environment

The Department helped organizations develop positive labour-management relationships through better communication, problem solving and co-operation. The Department also promoted, regulated and provided information on workplace health and safety and fair employment standards and practices.

AHRE initiated the Employment Standards Review by holding public and stakeholder consultations, which included both employer and employee feedback. The Department also implemented the minimum wage increase to $7.00 per hour from $5.90 per hour. The new rate, after tax, ranked Alberta fourth among the provinces.

The Department provided Albertans with a comprehensive view of workplace health and safety in the province through the *2004 Occupational Injuries and Diseases in Alberta* reports. AHRE developed and initiated field tests in eight Alberta high schools for workplace health and safety resources for high school teachers to enhance student knowledge of workplace health and safety.

The Work Safe Alberta initiative was awarded the silver 2005 Institute of Public Administration of Canada Award for innovative management. Since the start of the Work Safe Alberta initiative, the provincial lost-time claim rate has dropped year after year to its current all-time low of 2.4 in 2005. This result reflects the Department's effort to address the impact of Alberta's robust economy and the increased number of inexperienced workers entering the workforce.

AHRE contributed to the resolution of workplace issues by providing mediation, arbitration and facilitation services. The percentage of expired collective bargaining agreements that were settled in 2005/2006 without a work stoppage was 98%. Despite the number of external factors influencing the measure, such as a low unemployment rate, a shortage of skilled workers in some sectors and high expectations of workers, AHRE met the 98% target.

Personnel Administration Office

The Government of Alberta, like other public and private sector employers, operates in a competitive labour market and needs to compete effectively for workforce talent. The Personnel Administration Office (PAO) works with ministries across government to lead the development of effective human resource strategies and policy frameworks and deliver strategic support services to meet this challenge.

Goal 5: An integrated, effective and enabling human resource management framework in the Alberta public service

The Alberta Public Service Human Resource (HR) policy framework continues to address current and emerging human resource issues.

During 2005/2006, work continued towards ensuring an enabling, accountable and appropriate compensation framework that helps the Alberta Public Service (APS) attract and retain necessary talent. A three-year collective agreement covering the term September 1, 2004 to August 31, 2007 was reached with the Alberta Union of Provincial Employees and ratified by its membership. A new management pay structure was implemented in August 2005, ensuring that the Government of Alberta is able to offer competitive salaries in order to attract and retain managers within the public service. Also, in response to rising gasoline prices, a review of the Public Service Subsistence, Travel and Moving Expenses Regulation resulted in an interim adjustment to kilometre rates.

Progress was also made on leveraging information technology and processes to improve access to HR information for decision-making, collaboration and workflow optimization. An E-HR Advisory Group was formed to establish a long-term strategy and strategic decision-making framework, which will guide the public service in improving electronic HR processes and procedures. The HR Management Dashboard pilot project was completed, improving manager's/supervisor's access to their employees' employment information via a web-based tool.

In June 2005, Alberta hosted the Annual Public Service Commissioner's (PSC) Conference. At the previous year's conference, Alberta's Public Service Commissioner proposed other public service jurisdictions share results of their employee surveys for benchmarking purposes and determination of best practices. As a result of this, a working team led by Alberta representatives proposed a set of 20 specific questions to be included in participating jurisdictions' upcoming employee surveys. These common survey questions will measure employee engagement and allow jurisdictions to share and compare data. The proposal was endorsed by all Public Service Commissioners.

Goal 6: An engaged and healthy public service that is positioned to meet emerging and diverse government goals

Strategies and initiatives to attract and retain talent in a competitive labour market continued to be the focus in 2005/2006. Demand for Executive Search services to attract, recruit and manage appointment processes for executive managers, senior officials and board members for ministries and significant agencies, boards and commissions significantly increased during 2005/2006, resulting in the management of 116 competitions. A video to promote the Alberta Public Service as a career choice, called "Working in the Alberta Public Service", went live on the Government of Alberta employment website in August 2005. The Student Summer Employment Registration Service was made available to students through the APS Jobs website in February 2006, allowing them an efficient and effective way to submit resumes to a centralized database for potential summer employment opportunities with the APS. The Ambassador Program continued its work towards raising the profile of the APS, with 219 Ambassadors promoting the public service as a career choice. As well, there were 286 intern placements in the public service during 2005/2006.

To foster continuous learning and build executive capacity, the Executive Mobility Program was introduced in April 2005. Twenty-five participants began interdepartmental secondments, providing them with the opportunity to expand their experience and develop new skills. As well, a Service Excellence Forum jointly organized with the City of Edmonton and the federal government was held in May 2005 and the Premier's Award of Excellence Ceremony marked its 11th anniversary in October 2005.

Because supervisors' actions and their relationship with their employees is central to supporting and enhancing employee performance, a conference for supervisors called "Be the Supervisor You'd Love to Have" was held in January 2006. Offered as three one-day sessions, all dates were filled to capacity and 99% of the participants felt the conference was valuable to attend. A website of the supervisor conference's content was developed and made available to all APS employees in February 2006.

Initiatives in 2005/2006 promoting workplace health included the development of the Certificate of Achievement in Safety Excellence (CASE). CASE provides ministries with an electronic process to evaluate the effectiveness of their safety programs and has the ability to create action plans based on the input of both the ministry and employees. An electronic calendar of events for Canada's Healthy Workplace Week was developed and made available to all APS employees during the week of October 24-30, in support of healthy lifestyles. The cross-government influenza vaccination program was once again coordinated in support of vaccinations being provided at no cost to all APS employees. This years' vaccination program was completed in November 2005.

Employee satisfaction with employment in the public service was at 78% and the Lost-Time Claim rate for the Alberta Public Service was 1.7 (per 100 person-years worked, data based on calendar year).

Alberta Labour Relations Board

The Alberta Labour Relations Board's key activities centered on its obligations to resolve issues arising from Alberta's labour relations legislation. The resolution of the majority of issues surrounding the Lakeside dispute in Brooks was the most significant event of 2005/2006.

Appeals Commission for Alberta Workers' Compensation

While continuing the key activity of hearing initial appeals, many with multiple issues of appeal, the Appeals Commission continues to receive applications for reconsideration, requests for extension to the one-year time limit, investigations under the Office of the Ombudsman and inquiries from the Office of the Information and Privacy Commissioner.

Auditor's Results

AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Information

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results of the Department of Human Resources and Employment, the Personnel Administration Office, the Alberta Labour Relations Boards and the Appeals Commission for Alberta Workers' Compensation included in the *Ministry of Human Resources and Employment's 2005-2006 Annual Report*. My responsibility is to carry out the following specified auditing procedures on performance information in the annual report. I verified:

Performance Measures

Completeness

1. Performance measures and targets match those included in Budget 2005. Actual results are presented for all performance measures.

Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information that the Ministry used to calculate the actual results.

3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

Comparability and Understandability

4. Actual results are presented consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

Supplemental Measures

5. Information in reports matched information that the ministry used to calculate the actual results.

I found no exceptions when I performed these procedures.

As my examination was limited to these procedures, I do not express an opinion on whether the set of performance measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Edmonton, Alberta
August 9, 2006

FCA
Auditor General

AHRE
Results Analysis

Department of Alberta Human Resources and Employment

RESULTS ANALYSIS

- Integrated Results Analysis
- Detailed Program Results Analysis and Discussion

Integrated Results Analysis for Core Business:

PEOPLE INVESTMENTS

PROVIDING THE FOUNDATIONS FOR PEOPLE IN NEED

Goal 1: Low-income Albertans can meet their basic needs

Section Reference: *See Results Analysis and Discussion – Goal 1 section*

PERFORMANCE MEASURES RESULTS		Results	Target	Variance
1.a	Percentage of Child Support Services clients for whom a support order or agreement is obtained	78%	80%	(2%)
1.b	Satisfaction of individuals with selected programs and services: Income Support	65%	85%	(20%)

SUPPLEMENTAL INFORMATION	2005/2006	2004/2005	Variance
1.1 Caseloads (monthly average)			
Income Support			
• People Working – Supplement to Earnings	3,754	4,350	(596)
• People Expected to Work	11,198	13,432	(2,234)
• People Not Expected to Work	11,742	11,153	589
• Widows' Pension	1,478	1,835	(357)
• Learners (annual total)	23,113	23,242	(129)
Alberta Child Health Benefit	70,665	66,914	3,751
Alberta Adult Health Benefit	1,953	1,842	111
Child Support Services	6,452	6,534	(82)
1.2 Income Support cases (Expected to Work and Not Expected to Work) as a % of Alberta's Working Population (ages 15-64). 2003-04 Actual: 1.3%	1.2%	1.3%	n/a

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	425,523	*See Ministry Financial Analysis and Discussion Section*
	Actual Spending	439,522	
	Variance	(13,999)	

INTEGRATED RESULTS ANALYSIS – CORE BUSINESS ONE (GOAL ONE)
PEOPLE INVESTMENTS – PROVIDING THE FOUNDATIONS FOR PEOPLE IN NEED

The core business of "People Investments" is about providing financial assistance, health benefits, child support services and other services to Albertans in need. The Department of Alberta Human Resources and Employment (AHRE) assisted Albertans with low incomes to meet their basic needs and to be as independent as possible. This core business also supported the following goals in the Government of Alberta Business Plan:

- Goal 4 – Alberta's children and youth will be supported in reaching their potential;
- Goal 5 – Albertans will be healthy; and
- Goal 6 – Albertans will be self-reliant and independent and those unable to provide for their basic needs will receive help.*

Progress towards these goals was achieved through participation in cross-ministry initiatives, specifically the Health Innovation and Wellness Initiative and the Alberta Children and Youth Initiative.

*Ministry spending is linked to this goal.

Program over-expenditures in People Investments resulted from costs related to the settlement of the Roth/Fifield class-action lawsuit ($11.9 million) and higher then budgeted medical benefit costs ($3.2 million). The over-expenditures were partially offset by a decrease of 976 in the overall income support caseload.

In 2005/2006, AHRE successfully completed the strategies for its People Investments core business. Through Alberta Works, an integrated system of supports including Employment and Training Services, Income Support, Health Benefits, and Child Support Services, the Department increased benefits to eligible clients, including: additional supports to help pay household costs when clients live with close family, longer work exemptions for parents with infants, elimination of co-payment requirements on prescription drugs and support for families with dependent children to participate in higher education.

The result for Child Support Services remained in line with the 2004/2005 result (78%), although the new *Family Law Act* resulted in new court procedures that created temporary delays. The performance measure result for satisfaction with Income Support more likely reflects client dissatisfaction with benefit levels or termination of benefits rather than with actual services received.

The fluctuation in caseloads for income support and other services may be attributed to population growth and the economy's strength. Alberta's population as of January 1, 2006 was estimated to be 3,306,359, which represents a year-over-year increase of 2.5%, the strongest growth rate among the provinces. Contributing to this was Alberta's strong growth in total net migration (net interprovincial migration and net international migration) of 56,084 new Albertans in 2005. At the same time the economy continued to boom and the unemployment rate fell to 3.9%. Consequently, caseloads for people expected to work decreased as a result of employment opportunities in the province and the Department's efforts to provide employment support, while caseloads for people not expected to work increased, in part, because of Alberta's increasing population. The proportion of Income Support cases (expected to work and not expected to work) as a percentage of Alberta's working-age population has decreased (to 1.2%) from 2003/2004 (1.3%) due to the decrease in the monthly number of expected to work clients and the increase in the working-age population.

The Alberta Child Health Benefit caseload rose substantially in 2005/2006 primarily due to an increase in promotional activities. The Department also continued to promote the Alberta Adult Health Benefit, leading to an increase in the average monthly caseload. This reflects a success story as the Department is providing support to former Income Support clients, which helps them remain attached to the workforce. The caseloads for supplement to earnings clients decreased due to a robust Alberta economy characterized by a 4.5% growth in gross domestic product, high employment rates and a 6.8% increase in average hourly wages. Alberta's economic growth also resulted in employment growth, with an increase of 28,500 jobs in 2005.

Integrated Results Analysis for Core Business:

SKILLS INVESTMENTS

HELPING PEOPLE TO BE THEIR BEST AT LEARNING AND WORK

Goal 2: Albertans have the skills, supports and information they need to succeed in the labour market

Section Reference: *See Results Analysis and Discussion – Goal 2 section*

PERFORMANCE MEASURES RESULTS		Results	Target	Variance
2.a	Percentage of participants employed post-intervention	80%	70%	10%
2.b	Percentage of clients reporting satisfaction with the program/service:			
	• Career Information			
	– Career Development Information Services	85%	85%	-
	– Career Development Workshops	84%	85%	(1%)
	– ALIS (Alberta Learning Information Service) Website	96%	85%	11%
	– Materials and Resources	98%	95%	3%
	– Career Information Hotline	97%	95%	2%
	• Work Foundations	95%	85%	10%
	• Training for Work	87%	85%	2%

SUPPLEMENTAL INFORMATION		2005/2006	2004/2005	Variance
2.1	Number of participants in Work Foundations/Training for Work programs and services	35,732	38,656	(2,924)
2.2	Percentage of participants employed post-intervention by special group type:			
	• Youth (ages 16-24)	85%	n/a*	n/a
	• Aboriginal People	72%	n/a*	n/a
	• Persons with Disabilities	63%	n/a*	n/a
	• Older Workers (ages 45+)	78%	n/a*	n/a
	• Immigrants	71%	n/a*	n/a
2.3	Use of career and labour market information services:			
	• Career and Employment Counselling Sessions	41,148	43,377	(2,229)
	• Group Workshop Participants	36,380	43,244	(6,864)
	• Labour Market Information Centre (LMIC) Services	1,489,898	1,679,376	(189,478)
	• Career Information Hotline Requests	17,018	23,445	(6,427)
	• Number of Information Resources Distributed	727,546	756,884	(29,338)
	• Canada-Alberta Job Order Bank Services	133,148	90,212	42,936
	• ALIS Website Visits	3,007,274	2,294,819	712,455
	• Student Funding Contact Centre	132,081	150,072	(17,991)

* Past results are not comparable due to a change in methodology.

Goal 3: Alberta has a productive workforce that meets the needs of the economy today and in the future

Section Reference: *See Results Analysis and Discussion – Goal 3 section*

PERFORMANCE MEASURES RESULTS		Results	Target	Variance
3.a	Inter-provincial rank of labour force participation (number represents inter-provincial ranking where #1 is the highest in Canada)	#1	#1	-

SUPPLEMENTAL INFORMATION		2005	2004	Variance
3.1	Number of occupational groupings that are in a skills shortage situation as defined by an unemployment rate that is below 3%	33	24	9
3.2	Broad Occupational Categories with an unemployment rate below 3%:	*Unemployment Rate*		
	• Management Occupations	1.7%	1.3%	0.4%
	• Health Occupations	1.1%	0.9%	0.2%
	• Occupations in Social Science, Education, Government and Religion	2.1%	2.5%	(0.4%)
	• Business, Finance and Administrative Occupations	2.2%	2.7%	(0.5%)
	• Natural and Applied Sciences and Related Occupations	1.6%	3.4%	(1.8%)
	• Occupations in Art, Culture, Recreation and Sport	1.9%	3.4%	(1.5%)
	• Occupations Unique to Processing, Manufacturing and Utilities	2.8%	5.0%	(2.2%)
3.3	Labour productivity: Inter-provincial rank of real GDP in dollars per hour worked	#1 (2004)	#1 (2003)	-

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	298,753	*See Ministry Financial Analysis and Discussion Section*
	Actual Spending	287,304	
	Variance	11,449	

INTEGRATED RESULTS ANALYSIS – CORE BUSINESS TWO (GOALS TWO & THREE)
SKILLS INVESTMENTS – HELPING PEOPLE TO BE THEIR BEST AT LEARNING AND WORK

The "Skills Investments" core business is about helping individuals prepare and train for, find and keep employment. It is also about working with industry and other partners to address skill shortages and skill deficits, immigration, workforce planning and productivity issues. This core business supported the following goals in the Government of Alberta Business Plan:

- Goal 1 – Alberta will have a diversified and prosperous economy;*
- Goal 2 – Albertans will be well prepared for lifelong learning and work;*
- Goal 3 – Alberta's international competitiveness will be enhanced;*
- Goal 4 – Alberta's children and youth will be supported in reaching their potential;
- Goal 6 – Albertans will be self-reliant and independent and those unable to provide for their basic needs will receive help;* and
- Goal 7 – The well-being and self-reliance of Aboriginal communities and people will be improved.

Support of these goals was achieved via AHRE's core businesses and through participation in cross-ministry initiatives, specifically the Leading in Learning and Skilled Workforce Initiative, the Economic Development and Innovation Initiative, the Aboriginal Policy Initiative and the Alberta Children and Youth Initiative.

Skills Investments expenses were approximately $11.5 million less than budgeted, resulting from a robust economy in which Albertans chose to work rather than enroll in English as a Second Language, upgrading, basic skills training, integrated training or occupational training programs.

*Ministry spending is linked to these goals.

AHRE successfully completed the strategies and key corporate initiatives (Skills Shortages Strategy and Partnerships) under this core business. Through Alberta Works and other programs and services, AHRE supported Albertans, including those with barriers to employment, to get the skills they need to find and keep a job, and helped employers meet their need for skilled workers. This included assistance for adults to get academic upgrading, language courses and job skills training.

The Department provided skill development opportunities to support Albertans and increase the labour force participation of under-represented Albertans. The results for 'participants employed post-intervention' (80%) along with good satisfaction rates for programs and services (ranging from 84% to 98%) demonstrate the Department's success in its delivery of those programs and services.

AHRE worked with industry to identify significant labour market trends and developed print and electronic information resources for employers, employees, and students on subjects ranging from career and education options for labour force development and planning to employment standards information. For instance, the Department led development of Phase One of the *linkAlberta.info* gateway to share labour force information with private and public stakeholders.

Alberta experienced a 4.5% growth in gross domestic product (GDP) and was ranked highest in Canada in labour productivity ($40.73 real GDP per hour worked) and labour force participation rate (72.6%).

Usage of Labour Market Information Services and the Career Information Hotline decreased slightly as demand for self-service options, such as the Alberta Learning Information Service (ALIS) website and the Canada-Alberta Job Order Bank Service (JOBS), continued to grow, in part as a result of efforts to enhance and promote these services. Demand for workshops and career and employment counselling decreased, which may have occurred as a result of Alberta's robust economy and low unemployment rates. Also, demand for employment and training programs declined, as evidenced by the decrease in the number of participants in Work Foundations/Training for Work programs and services.

The number of "occupational groupings that are in a skill shortage situation" continued to increase in 2005/2006 (skill shortages exist when unemployment rates are below 3% for specific occupations). A number of external factors contributed to the result, including a drop in Alberta's average unemployment rate in 2005 to 3.9%, down from 4.6% in 2004. In addition, the unemployment rates for both youth (ages 15-24) and off-reserve Aboriginal people in Alberta decreased to 7.3% (from 8.4% in 2004) and to 9.0% in 2005 (from 9.6% in 2004), respectively. These low unemployment rates were a reflection of Alberta's strong economy.

AHRE also developed and entered into more partnership agreements and economic initiatives with industry and employers to support connecting Albertans with employment and sharing labour market information (e.g., Collaborative Action Framework, Partnership Units and the Employer Corner).

Through the implementation of the Skills Shortages Strategy, AHRE hosted the *Developing a World Class Labour Force* forum for industry, employer, training provider and other public sector stakeholders and presented the discussion paper *Understanding Alberta's Labour Force: Looking into the Future*. Along with Alberta Advanced Education, the Department went on to develop the Building and Educating Tomorrow's Workforce strategy as one of the Government of Alberta's priority policy initiatives. It will guide Alberta's approach to addressing skill and labour shortages over the next ten years (2006-2016).

Integrated Results Analysis for Core Business:

WORKPLACE INVESTMENTS

SUPPORTING WORKPLACES TO MAKE ALBERTA PROSPEROUS

Goal 4: Alberta has a fair, safe and healthy work environment

Section Reference: *See Results Analysis and Discussion – Goal 4 section*

PERFORMANCE MEASURES RESULTS		Results	Target	Variance
4.a	Lost-Time Claim Rate (LTC): number of lost-time claims per 100 person-years worked			
	• Lost-Time Claim Rate (data based on calendar year)	2.4	2.0 or lower	(0.4)
4.b	Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout)	98%	98%	—
4.c	Satisfaction of individuals and organizations which have used selected workplace programs and services:			
	• Workplace Health and Safety Contact Centre	96%	90%	6%
	• Employment Standards Contact Centre	96%	90%	6%

SUPPLEMENTAL INFORMATION		2005/2006	2004/2005	Variance
4.1	Percentage change in the Lost-Time Claim Rate for targeted employers – employers with a poor health and safety record	23% decrease	n/a*	n/a
4.2	Percentage of the public aware of workplace health and safety	88%	90%	(2%)
4.3	Percentage change in the number of Certificate of Recognition (COR) holders	11%	8%	3%
4.4	Lost-Time Claim Rate for Certificate of Recognition (COR) holders compared to non-COR holders within selected industry sectors:	*2005 COR*	*2005 non-COR*	*Variance*
	• Alberta Construction Safety Association Industries	2.0	3.4	1.4
	• Steel and Metal Fabrication Industry	4.2	6.4	2.2
	• Upstream Oil and Gas Industries	1.6	0.9	(0.7)
4.5	Use of workplace information services:	*2005/2006*	*2004/2005*	*Variance*
	• Employment Standards Contact Centre	126,754	140,971	(14,217)
	• Employment Standards Website visits	1,069,885	984,506	85,379
	• Workplace Health and Safety Contact Centre	20,211	22,113	(1,902)
	• Workplace Health and Safety Website visits	1,643,958	1,697,017	(53,059)

* Past results are not comparable due to a change in methodology.

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	26,642	*See Ministry Financial Analysis and Discussion Section*
	Actual Spending	27,512	
	Variance	(870)	

INTEGRATED RESULTS ANALYSIS – CORE BUSINESS THREE (GOAL FOUR)
WORKPLACE INVESTMENTS – SUPPORTING WORKPLACES TO MAKE ALBERTA PROSPEROUS

The "Workplace Investments" core business is about developing and delivering programs and services in order to contribute to workplaces that are healthy, fair, safe and stable for both employees and employers. This core business supported the following goals in the Government of Alberta Business Plan:

- Goal 3 – Alberta's international competitiveness will be enhanced;*
- Goal 5 – Albertans will be healthy; and
- Goal 10 – Alberta will be a fair and safe place to work, live and raise families.*

The Department contributed to these goals through its core businesses and participation in the Health Innovation and Wellness cross-ministry initiative.

Workplace Investments spent $0.9 million more than the budget due to increased costs associated with the highly successful Work Safe Alberta initiative, and higher than anticipated support and delivery costs required for increased worksite inspections.

AHRE had many successes in the implementation of the strategies and the key corporate initiative (Work Safe Alberta) for this core business. Work continued on a number of fronts in the implementation of the Work Safe Alberta strategy to reduce injuries and fatalities on Alberta worksites. The Department continued to perform targeted inspections on companies with lost-time claim rates significantly higher than the provincial rate. While the "2.0 or lower" lost-time claim rate target was not met this year, the provincial lost-time claim injury rate decreased to 2.4 injuries per 100 person-years worked. A lost-time claim rate of 2.4 represents about 14,000 fewer lost-time injuries each year and over $220 million in direct annual Workers' Compensation Board – Alberta claims cost savings. This result reflects the Department's effort to address the impact of Alberta's robust economy and the increased number of inexperienced workers entering the workforce. The result of 'public aware of workplace health and safety' indicates that Albertans agree that actions can be taken to reduce workplace injuries, although the result decreased to 88% from 90% in 2004/2005.

In 2005/2006, 98% of collective bargaining agreements were settled without a legal work stoppage. This outstanding result was achieved during a time when Alberta had the strongest gross domestic product growth of all provinces at 4.5%, the highest labour productivity level in Canada, and experienced an average hourly wage increase of 6.8% over the previous year; all factors that typically lead to wage demands and more pressure on the workplace. Also, AHRE increased the minimum wage by nearly 20% to $7.00 per hour in September 2005, ranking Alberta fourth among the provinces for highest after tax minimum wage.

The Department continued to register, investigate, and resolve employment standards complaints. The Employment Standards and the Workplace Health and Safety Contact Centres continued to experience strong demand for their services to provide employers and employees with general information about Employment Standards and Workplace Health and Safety legislation. The Employment Standards and Workplace Health and Safety websites received over 2.5 million visits and their contact centres answered 126,754 and 20,211 calls, respectively. Surveys of individuals who used AHRE's Workplace Health and Safety and Employment Standards contact centres both showed 96% satisfaction rates, evidence of the quality of services rendered.

* Ministry spending is linked to these goals.

Department of Alberta Human Resources and Employment

Detailed Program Results Analysis and Discussion

Goal 1:

Low-income Albertans can meet their basic needs

What it means

Albertans who are unable to provide for their basic needs will receive help. Government, community and business resources are available to assist those in need. The Department, through Alberta Works, provides financial assistance, health benefits, and child support services to low-income Albertans so they can meet their basic needs and be as independent as possible.

STRATEGY 1.1
Provide financial and health benefits, and child support services to meet the basic needs of low-income Albertans who are eligible to receive financial assistance.

Alberta Human Resources and Employment (AHRE) used a new service delivery model to assess the employment and training needs of Albertans with low incomes to promote their attachment to the labour force. The Department increased the benefits for some eligible Income Support clients by providing an extra $100 per month to help pay shelter costs when clients live with family, eliminating the co-payment requirement for prescription drugs, extending work exemptions for parents with infants, supporting families with dependent children participating in higher education and increasing gift exemptions for First Nations persons.

The Department partnered with the City of Edmonton, other government ministries and the University of Alberta on the Families First Edmonton research project to examine whether delivering health, family support and recreation services in a co-ordinated way can lead to better outcomes for families with low incomes. The *Widows' Pension Act* was amended to protect the continuation of benefits for existing recipients until the age of 65 and AHRE also collaborated with Alberta Justice on the implementation of the *Family Law Act* for the Child Support Services program resulting in aligned legal processes and expectations for parents.

STRATEGY 1.2
Extend health benefits and child support services to former recipients of financial assistance so they can remain independent of financial assistance.

AHRE identified former Income Support clients with low incomes who could benefit from ongoing access to Child Support Services and the Alberta Adult Health Benefit (AAHB) and assisted them in accessing these services to promote self-reliance, help clients remain attached to the workforce and reduce child poverty.

To provide efficient services, AHRE conducted a tax information data exchange with Canada Revenue Agency enabling 91% of the active AAHB files to be automatically assessed for renewal eligibility.

STRATEGY 1.3
Provide low-income families with health benefits for their children and child support services so they do not become dependent on financial assistance.

As with AAHB, a data exchange with the Canada Revenue Agency also enabled 97% of eligible Alberta Child Health Benefit (ACHB) recipient families to be automatically assessed for renewal. A semi-automated ACHB enrollment process for children of Learners was also developed to streamline the application process. In addition, the Department focused marketing to key stakeholders, redesigned communications (e.g., posters, brochures, fact cards) and promoted the message, "Peace of mind knowing you can provide for your children's health needs" to increase Albertans' with low incomes enrollment in the ACHB program.

STRATEGY 1.4
Provide low-income Albertans experiencing family violence with financial benefits to relocate and/or establish themselves in the community.

AHRE worked with community partners (e.g., Women's Outreach Society, shelters and hospitals) to support the timely assessment of needs and provide information to enable Albertans experiencing family violence to live independently. The Department also expanded coverage of the "escaping family violence" Income Support benefit to include those fleeing non-spousal violence so more families are able to establish a new household.

PERFORMANCE MEASURE 1.a
Percentage of Child Support Services clients for whom a support order or agreement is obtained. (See note under adjacent table for additional clarification.)

	2003/04	2004/05	2005/06	Target
Child Support Services file closures:				
File closures with an order or agreement in place	9,618	9,307	8,382	
Total file closures with potential for a child support order or agreement	13,031	11,938	10,768	
Result	74%	78%	78%	80%

Source: Alberta Human Resources and Employment.
Note: This measure reflects Child Support Services' intended outcome of having a support order or agreement in place at the time of a file closure. A file can be opened and subsequently closed each time a client makes an Income Support application. For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

Results have increased over the years, from 61% in 2002/2003 to 78% in 2004/2005 and 2005/2006. Although the target of 80% was not met, the current result did not vary significantly from last year despite the fact that the new *Family Law Act*, implemented on October 1, 2005, resulted in new court procedures that created temporary delays to get some cases into court in time to obtain orders before the child support file closure.

PERFORMANCE MEASURE 1.b
Satisfaction of individuals with selected programs and services:

	2004/05	2005/06	Target
Income Support	n/a*	65%	85%
Alberta Child Health Benefit recipient families	98%	Data Collected Biennially	n/a

* Past results are not comparable due to a change in methodology.
Source: Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

Sixty-five percent (65%) of the clients were satisfied with the Income Support services they received, which may reflect dissatisfaction with benefit levels or termination of benefits rather than with actual services received. The data collection methodology was modified to reflect a greater number of income support clients and subsequently, the result is not comparable to prior years.

SUPPLEMENTAL INFORMATION 1.1
Caseloads

Caseloads *(monthly average)*	2003/04	2004/05	2005/06
Income Support			
People Working – Supplement to Earnings	4,423	4,350	3,754
People Expected to Work	15,540	13,432	11,198
People Not Expected to Work	9,299	11,153	11,742
Widows' Pension	1,970	1,835	1,478
Learners (annual total)	25,412	23,242	23,113
Alberta Child Health Benefit	64,579	66,914	70,665
Alberta Adult Health Benefit	1,131	1,842	1,953
Child Support Services	6,606	6,534	6,452

Source: Alberta Advanced Education and Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

Income Support:

Income Support clients fall into one of the following five categories:

- **People Working – Supplement to Earnings.** In 2005/2006 there was a net decrease of 14%, or 596 cases, over the previous year in the monthly average number of Albertans receiving income support as a supplement to their earnings.
- **People Expected to Work.** The monthly average caseload of clients actively looking for employment experienced a net decrease of 17%, or 2,234 cases, from the previous year. The current result was reflective of

AHRE's effort to help clients meet their needs through timely employment support and the level of employment opportunities that existed in Alberta.

- **People Not Expected to Work.** Clients included in this category are Albertans who have difficulty working because of chronic mental or physical health problems or because of multiple barriers to employment. In 2005/2006, the monthly average caseload had a net increase of 5% compared to the previous year, which was an increase of 589 cases, in part due to Alberta's increasing population.
- **Widows' Pension.** On average, 1,478 Widows' Pension clients received Income Support per month in 2005/2006, which was a 19% net decrease compared to the previous year. This was largely due to the fact that, as of April 1, 2004, the Alberta Widows' Pension was replaced under the *Income and Employment Support Act* and therefore no longer accepted new applications.
- **Learners.** Clients included in this category are those who need academic upgrading or training. Over 23,000 learners received Income Support in 2005/2006, similar to the previous year. The robust economy and higher employment rates continued to impact the demand for training.

Alberta Child Health Benefit:
The average number of ACHB clients increased by 6% in 2005/2006, which reflected AHRE's success in its efforts to promote the ACHB program. More than 70,600 children living in families with low incomes were supported through ACHB.

Alberta Adult Health Benefit:
AAHB provides health benefits to qualified clients after their income support file has closed. By doing this, AAHB allows former Income Support clients to continue to have health benefits while moving into entry level jobs, which encourages ongoing attachment to the workforce. The monthly average AAHB caseload grew by 6% compared to 2004/2005 levels.

Child Support Services:
Clients of the Child Support Services program are parents who need assistance in obtaining child support orders or agreements for dependent children from non-custodial parents. The majority of people served are clients receiving income support benefits. In 2005/2006, the Child Support Services caseload decreased slightly over the previous year.

SUPPLEMENTAL INFORMATION 1.2
Income Support cases (Expected to Work and Not Expected to Work) as a % of Alberta's Working Population (ages 15-64).
2003-04 Actual: 1.3%

	2003/04	2004/05	2005/06
Income Support cases (Expected to Work and Not Expected to Work) as a % of Alberta's Working Population (ages 15-64).	1.3%	1.3%	1.2%

Source: Statistics Canada and Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

The proportion of Income Support cases compared to Alberta's working-age population has decreased from 1.3% in 2003/2004 to 1.2% in 2005/2006. Contributing factors included a strong economy, a decrease in the Income Support caseload due to a decrease in provincial unemployment rate, an increase in employment opportunities, the Department's effort to support clients obtain employment, and an increase in the working-age population due to increasing total net migration levels (both interprovincial and international).

Goal 2:

Albertans have the skills, supports and information they need to succeed in the labour market

What it means

Albertans are the province's most important resource. They will continue to acquire the knowledge and skills they need to identify and participate in future opportunities, and be self-reliant and contributing members of society. The Department, through Alberta Works and other programs, supports individual Albertans, including those with barriers to employment, to get the skills, services, and career and labour market information they need to find and keep a job.

STRATEGY 2.1
Provide programs and services to help Albertans develop skills, find and keep employment, manage their careers and adapt to the changing labour market.

New processes were utilized to determine clients' service needs, provide appropriate training to develop clients' skills and assist Income Support clients having difficulty retaining a job to obtain and maintain employment.

Through the promotion of the Canada-Alberta Job Order Bank and the "Job Match" feature, over 133,000 positions were posted (48% more than the previous year) and numerous job matches were completed by job seekers and employers.

AHRE provided the Canadian Agricultural Skills Services training program to Albertan farm families (on behalf of the federal government) to enhance their farm businesses or allow them to pursue other career opportunities. AHRE also improved access to training for both part-time and full-time training clients by implementing a number of stakeholder recommendations (e.g., increased the income threshold for clients applying for part-time training, and decreased the minimum contribution EI clients were expected to contribute towards full-time training). In addition, AHRE developed joint funding recommendations with Alberta Advanced Education to increase flexibility in funding options and reduce debt burdens for short-term programs to support foreign-trained professionals.

STRATEGY 2.2
Provide programs and services to assist youth, immigrants, Aboriginal people, older workers, persons with disabilities, and income support and employment insurance clients to develop skills to increase their labour force participation.

The Department increased the labour force participation of under-represented Albertans (e.g., youth, immigrants, Aboriginal people, older workers, persons with disabilities and Income Support clients) through skill development opportunities. Support was provided to Youth Connections initiatives, career fairs and school presentations, the Calgary Catholic Immigration Society, First Nations training partnerships, and the Advantage 50 Plus program in Calgary.

An Aboriginal Workforce Participation Initiative agreement was signed with the Grande Prairie Regional College to encourage employers to develop and enhance policies to attract, recruit and retain Aboriginal workers. AHRE also worked with Indian and Northern Affairs Canada to develop and implement a First Nations On-Reserve Learner Benefit Policy to provide a living allowance to attend AHRE approved occupational skills training and academic upgrading programs.

The Department supported a number of projects (e.g., Rehabilitation and Employment for Developing Independence Enterprises Society, Accredited Supportive Living Society, Employabilities Society of Alberta) and participated with agencies to increase opportunities for persons with disabilities to prepare for, gain and maintain employment.

STRATEGY 2.3
Develop and publish career and labour market information products and resources.

The Department supported stakeholders across Alberta (e.g., job seekers, students, immigrants, workers, businesses, employment services and training providers) by providing labour market and labour force information and trends and supporting informed decision-making about career and learning plans, work search and workplace issues. AHRE also developed the following information resources: *Alberta's Aging Labour Force and Skill Shortages*; *Alberta Labour Market Review 2005*; *Alberta Labour Market Outlook 2006*; *Safe and Healthy: A Guide to Managing an Aging Workforce*; *Labour Market Information for Your Business: A practical guide*; *Welcome to Alberta*; and *What Works: Career building strategies for people from diverse groups*.

In partnership with Alberta Education and Alberta Advanced Education, the Department supported, enhanced and promoted the Alberta Learning Information Service (ALIS) website, which was visited over three million times. ALIS provides Albertans with online career, learning and employment information and services and was enhanced to include a web version of *Welcome to Alberta* for immigrants; the *Study in Alberta* website for international students; an updated WAGEinfo section to provide 2005 wage and salary information; and fact and tip sheets.

PERFORMANCE MEASURE 2.a
Percentage of participants employed post-intervention.

	2005/06	Target
Percentage of participants employed post-intervention.	80%	70%

Source: Alberta Human Resources and Employment, Alberta Advanced Education and Human Resources and Social Development Canada.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

AHRE's Job Placement, Self Employment, Integrated Training, Occupational Training, Workplace Training and Work Foundations programs continued to experience a high volume of clients in 2005/2006.

Eighty percent (80%) of clients who participated in AHRE's employment and training programs were employed three months after their programs finished. This result exceeded the target by 10 percentage points, but the result was not directly comparable to prior results due to differences in methodology (e.g., the follow-up interval).

Whether a client can obtain employment after participation in AHRE's training programs partially depends on the economy of the province as demand for labour increases when the economy is strong. Results may also vary between years and programs, depending on the types of clients entering the programs. For example, Employment Insurance clients often have more recent work histories than other clients and this advantage helps them return to the labour market. Individuals unable to work in today's favourable economic conditions often have multiple barriers to employment, which can require intensive investments to secure employment.

PERFORMANCE MEASURE 2.b
Percentage of clients reporting satisfaction with the program/ service.

Satisfaction with:	2003/04	2004/05	2005/06	Target
• Career Information				
– Career Development Information Services	n/a*	n/a*	85%	85%
– Career Development Workshops	n/a*	n/a*	84%	85%
– ALIS (Alberta Learning Information Service)	Data Collected Triennially	Data Collected Triennially	96%**	85%
– Job Order Bank Services	Data Collected Biennially	82%	Data Collected Biennially	n/a
– Labour Market Information Centre	Data Collected Biennially	95%	Data Collected Biennially	n/a
– Materials and Resources	99%	Data Collected Biennially	98%	95%
– Career Information Hotline	n/a*	Data Collected Biennially	97%	95%

Satisfaction with:	2003/04	2004/05	2005/06	Target
• Work Foundations	n/a*	n/a*	95%	85%
• Training for Work	n/a*	n/a*	87%	85%

* Past results are not comparable due to a change in methodology.
** Result is not comparable to prior years' results. See methodology, Appendix F, for details.
Source: Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

Client satisfaction is an indicator of how well AHRE's career development and information programs are meeting clients' expectations.

- **Career Development Information Services (CDIS)** include career planning, job search and labour market information made available to adult Albertans through assessment services and career consulting services. Client satisfaction with the CDIS met the target of 85%. The current result was not directly comparable to prior years as changes were made in the timing of data collection: clients were surveyed three months instead of six months after their program finished.
- Satisfaction with **Career Development Workshops (CDW)** was 84%, which substantially achieved the target of 85%, and reflected a high level of satisfaction. The current result was not directly comparable to prior years as changes were made in the timing of data collection (i.e., three-month follow-up interval).
- **Alberta Learning Information Service website** is a multi-ministry sponsored resource that provides career, learning and employment information and online services to Albertans. The current result exceeded the target by 11 percentage points, which was also a significant increase over the last actual reported in 2002/2003 (by 8 percentage points). As compared to the survey in 2002/2003, there was a greater response rate from educators and career practitioners than from students. Educators and career practitioners tend to indicate greater satisfaction, and this factor may have contributed to the overall increase in client satisfaction.
- **Materials and Resources** services were provided to help Albertans make informed decisions related to career planning, learning options, occupational choices and employment. The current result exceeded the target of 95% by three percentage points. Factors contributing to the favourable year-end result included comprehensive quality control processes and extensive input from stakeholders to strengthen the clarity and usability of the resources.
- **The Career Information Hotline** offers toll-free telephone and online consulting and referral services related to occupational, education and training options, job search skills and career transitions. Ninety-seven percent (97%) of clients expressed satisfaction with the service received, which was two percentage points above the target. This result is not comparable with prior results as the Department employed the efficient Speech Automated Survey System (SASS) to allow real time data collection and reporting. When also asked to rate their satisfaction with

their awareness of the next steps to managing their career as a result of the support provided, 93% of the respondents said they were satisfied.

Client satisfaction ratings for **Work Foundations** and **Training for Work** programs were 95% and 87%, respectively, which exceeded the target of 85% for both. Results were not comparable to previous years as the two programs were previously reported as a combined result.

SUPPLEMENTAL INFORMATION 2.1
Number of participants in Work Foundations/ Training for Work programs and services.

Learners	2003/04	2004/05	2005/06
All Participants	40,875	38,656	35,732

Source: Human Resources and Social Development Canada and Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

The purpose of the Work Foundations and Training for Work programs is to provide basic skills training, occupationally focused training and academic upgrading to enable clients to pursue further job-related training and obtain employment. Service volumes are an indication of the demand for AHRE's programs and services among special group populations in Alberta. The demand for employment and training programs has been decreasing due to Alberta's strong economy, along with a decrease in the unemployment rate and an increase in employment opportunities.

SUPPLEMENTAL INFORMATION 2.2
Percentage of participants employed post-intervention by special group type.

Special Groups *	2005/06
Youth (ages 16-24)	85%
Aboriginal people	72%
Persons with Disabilities	63%
Older Workers (ages 45+)	78%
Immigrants	71%

* Individuals may be counted in more than one group.
Source: Alberta Advanced Education, Human Resources and Social Development Canada and Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

AHRE continued to strive to meet the needs of clients with barriers to employment. Results demonstrated the portion of clients of each special group who were employed three months after they finished their programs. Current results were not comparable to previous years due to changes in methodology (e.g., the follow-up interval).

SUPPLEMENTAL INFORMATION 2.3
Use of career and labour market information services.

Information Services	2003/04	2004/05	2005/06
Career and Employment Counselling Sessions	43,568	43,377	41,148
Group Workshop Participants	45,019	43,244	36,380
Labour Market Information Centre Services	1,604,001	1,679,376	1,489,898

Information Services	2003/04	2004/05	2005/06
Career Information Hotline Requests	30,366	23,445	17,018
Number of Information Resources Distributed	722,132	756,884	727,546
Canada-Alberta Job Order Bank Services	61,486	90,212	133,148
ALIS Website visits	1,774,875	2,294,819	3,007,274
Student Funding Contact Centre	n/a*	150,072	132,081

* Centre opened in 2003/2004
Source: Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

A strong provincial economy resulted in slight decreases in the usage of Career and Employment Counselling Services, Group Workshop Services and Labour Market Information Services from the previous year due to an increase in employment opportunities offered for skilled and unskilled workers. Over 41,000 client assessment sessions and 1,489,800 information services were provided in 2005/2006, respectively. The most significant decrease was noted in the number of workshop participants.

The Career Information Hotline experienced a 27% net decrease in usage over the previous year. Contributing factors included the increased distribution of new products and access to information via the Alberta Learning Information Service (ALIS).

The ALIS website experienced increased usage in 2005/2006. There were more than three million visits to access information on career choices and planning, post-secondary education and training, educational funding and planning, job search and employment, and labour market trends. Albertans continued to increase the use of online resources via the ALIS website as a primary source of career, learning and employment information and trends, and labour market information. Major factors that have contributed to the increased website visits included a series of improvements to the website (e.g., search functionality, keyword search, and expansion), increased marketing efforts (e.g., marketing to various target groups through online newsletters and articles, trade fairs and conferences, and other promotional activities) and user satisfaction.

More than 727,500 information resources were distributed in 2005/2006, which was consistent with prior results.

Canada-Alberta Job Order Bank Services (JOBS) posted over 133,000 job positions in 2005/2006, which was an increase of 48% compared to 2004/2005. The strong economy, labour market shortage and marketing of JOBS services all contributed to increased use.

Albertans utilized the Student Funding Contact Centre (SFCC) as a source of information on student financial assistance and support in submission of electronic applications. In 2005/2006, the SFCC processed over 132,000

inquiries, which was a 12% decrease compared to 2004/2005. A new online student loan application system was introduced to the call centre, which resulted in longer call duration and decreased the number of calls answered.

Goal 3:

Alberta has a productive workforce that meets the needs of the economy today and in the future

What it means

Alberta has a growing and changing economy where employers are aware of the challenges to remain globally competitive and have an increasingly productive workforce. The Department works collaboratively with industry, partners and other governments to assess and anticipate labour market trends. The Department also works with them to address issues related to human resource development, labour shortages, skills deficits, immigration policy, workforce planning and productivity.

STRATEGY 3.1
Share information with business, industry, communities and other jurisdictions on significant labour market trends and issues as well as the knowledge and skills that will be required in the workplace.

AHRE provided labour market trends and issues (e.g., *Alberta Occupational Supply and Demand Outlook 2005-2015* and *2005 Alberta Wage and Salary Survey*) to business and industry associations, chambers of commerce and economic partnership groups, as well as at career fairs and Labour Market Information Centres. This information enabled Albertans to make informed career choices and industry to focus training dollars on occupations with skill shortages and to develop policies related to human resource issues (e.g., compensation and hiring). It also enabled the provincial government to provide services such as career advice, wage negotiations and injury dispute settlements.

The Department also participated in Economic and Labour Market Industry Networks throughout Alberta, which enhanced opportunities for AHRE to develop alliances and relationships with key business and industry stakeholders.

AHRE led development of Phase One of the *linkAlberta.info* gateway to allow sharing of strategic socio-economic, labour market, workplace and demographic information with private and public stakeholders.

STRATEGY 3.2
Continue to implement *Prepared for Growth: Building Alberta's Labour Supply*.

To identify the impact of labour and skill shortages in Alberta, AHRE provided an inventory of government initiatives, programs and services that address these shortages (e.g., *Understanding Alberta's Labour Force: Looking to the Future*, and *Alberta's Skills Shortages)*. In addition, AHRE developed 12 Labour Market and Economic Dashboard Indicators showing labour demand forecasts for approximately 140 occupations and nine industry profiles to support industry sectors and government in understanding labour supply and demand issues.

STRATEGY 3.3
Develop alliances at the local, provincial, national and international level that will contribute to human resource development.

AHRE hosted, participated in and supported a number of forums (e.g., Training Provider Policy Forum and the Annual Summit of the Pacific Northwest Economic Region), initiatives (e.g., Federal Forum of Labour Market Ministers) and agreements to address and increase awareness of labour force issues.

AHRE also shared best practices for hard-to-employ clients, exchanged policy ideas and fostered co-operation on labour and skill shortages as part of the Memorandum of Understanding on Co-operation in Labour Market Programming between Alberta and British Columbia.

AHRE co-hosted the first meeting of the National Sector Councils and Alberta Industry Associations in partnership with Human Resources and Social Development Canada to build relationships and discuss common labour market challenges and opportunities.

AHRE also participated in more partnership initiatives with employers to connect Albertans with employment and share labour market information. Examples include: the Collaborative Action Framework; Economic Society of Northern Alberta; Economic Development Edmonton; Edmonton Region Youth Engagement Governance Committee; Central Alberta Economic Partnership; Palliser Economic Partnership; Battle River Alliance for Economic Development; Canadian Manufacturers and Exporters; Calgary Logistics Council; Calgary Construction Association and Petroleum Human Resource Sector Council.

STRATEGY 3.4
Co-champion the Government of Alberta's *Leading in Learning and Skilled Workforce* Cross-Ministry Initiative.

AHRE co-led the development of the Learner Pathways Project with Alberta Education and Alberta Advanced Education to provide a unified career planning and learning system for Albertans. In addition, the Department formed more partnerships and implemented initiatives for students and youth (e.g., providing career presentations, displays and shows; allocating resources to increase students' progress into post secondary education from remote northern communities; engaging youth and high school students in trade skills competition; and delivering financial support to students to promote obtaining their high school diploma and progressing into post-secondary education).

AHRE developed the *Supporting Immigrants and Immigration to Alberta*, a government immigration policy focused on the attraction and retention of immigrants. In addition, AHRE initiated negotiation of a Memorandum Of Understanding with Human Resources and Social Development Canada to fund foreign credential recognition projects. In collaboration with Alberta Advanced Education, the Department signed a Memorandum Of Understanding with Citizenship and Immigration Canada to allow international students to work off-campus. AHRE also partnered with Alberta Economic Development to develop an international marketing strategy to increase immigration to Alberta.

STRATEGY 3.5
Work with the Apprenticeship Program to encourage youth participation in apprenticeship programs and increase completion rates of program participants.

Pilot projects were developed for Alberta youth who are not attending school, unemployed or underemployed to provide opportunities to enter trades through "Youth in Transition to Apprenticeship." In collaboration with Alberta Advanced Education, Alberta Education and Alberta Children's Services, development of the projects included site selection and establishing delivery structure. In addition, the Youth Employment Program, in conjunction with the Calgary Construction Association, brought a total of 86 youth into the construction industry for career decision making and placement.

STRATEGY 3.6
Align immigration policy and programs to better reflect Alberta's economic and social priorities.

Thirteen projects for skilled immigrant professionals were developed (e.g., Enhanced Language Training) and co-funded with Citizenship and Immigration Canada. The Provincial Nominee Program was extended to the end of August 2006 to further strengthen Alberta as a destination for immigrants.

An Interdepartmental Immigration Committee improved coordination of immigration policy and initiatives across the provincial government. Finally, the Department supported initiatives to recognize foreign credentials with professional credentialing bodies in Alberta, so foreign-trained professionals are able to work in their fields.

STRATEGY 3.7
(Key Corporate Initiative – Skills Shortages Strategy)
Develop and implement strategies to address Alberta's skills shortages, skills deficits and workforce productivity.

To support the strategic policy framework *Securing Tomorrow's Prosperity*, AHRE co-led a cross-ministry initiative to prepare a new Government of Alberta 10-year labour supply strategy to address skill shortages. The Department also developed an industry and employer toolkit to market AHRE and other Government of Alberta programs, services and information. In addition, AHRE hosted the *Developing a World Class Labour Force* forum and presented the discussion paper *Understanding Alberta's Labour Force: Looking to the Future* on labour and skill shortages.

In support of the Alberta Economic Development Authority's *Mega Project Excellence: Preparing for Alberta's Legacy – Action Plan*, AHRE partnered with Alberta Energy, Alberta Advanced Education and Alberta Economic Development on the preparation of a Government of Alberta labour force development strategy and related Oil Sands Industry sub-strategy.

The Department developed three pilot projects with industry associations (e.g., Edmonton Economic Development Corporation, Calgary Economic Development Corporation, and the Forest Industry Suppliers and Logging Association) to collect and share labour market information and promote AHRE's programs and services. Further, AHRE supported eight initiatives under the *Lean Enterprise Program* to help the manufacturing sector reduce costs of developing and producing products by enhancing business processes and reducing demand for labour and work space.

AHRE also provided programs and services to help Albertans explore and make informed career choices involving the trades (e.g., a partnership with Community Careers Cooperative to deliver the Career Prep Internship program, Health Services Internship program, and Hands-On Career Camp; and a partnership with Human Resources and Social Development Canada, Athabasca Tribal Council, the Métis Nation of Alberta, Keyano College and Northern Alberta Institute of Technology to implement a pre-trades training program including work experience).

STRATEGY 3.8
(Key Corporate Initiative – Partnerships)
Implement partnership model(s) which increase staff capacity to develop and maintain strategic alliances.

AHRE implemented Partnerships Frameworks to develop and maintain strategic alliances with employers, industry associations, communities and other stakeholders. Initiatives included: the development of employer networks; Employer Connections held in Labour Market Information Centres where staff and contracted service providers received labour market information from participating employers and where job seekers met with employers regarding job opportunities; the distribution of economic and labour market information; and supporting employers to connect with Employment Standards and Occupational Health and Safety services.

As a result of regional partnerships, AHRE has developed an enhanced understanding of labour market issues and ensured an effective response to the needs of Albertans and industry.

PERFORMANCE MEASURE 3.a
Inter-provincial rank of labour force participation.

	2003	2004	2005	Target
Inter-provincial rank of labour force participation	#1	#1	#1	#1

Source: Statistics Canada.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

The labour force participation rate is a measure of the proportion of an economy's working-age population that is working and it provides an indication of the relative size of the supply of labour available for the production of goods and services. AHRE contributes to Alberta's economic development through provision of various programs and services (e.g., career and labour market information services), and through collaboration with partners in responding to labour and skill shortages.

The 2005 labour force participation rate for Alberta was 72.6%, which represented the highest interprovincial ranking in Canada. The province continued to enjoy a strong and robust economy fuelled by high oil and gas prices. Spin-offs included strong employment growth in many industries, particularly Mining, Oil and Gas Extraction, Educational Services, and Professional, Scientific and Technical Services.

SUPPLEMENTAL INFORMATION 3.1
Number of occupational groupings that are in a skills shortage situation as defined by an unemployment rate below 3%.

	2003	2004	2005
Number of occupational groupings that are in a skills shortage situation as defined by an unemployment rate below 3%.	23	24	33

Source: Statistics Canada.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

An unemployment rate lower than 3% indicates a skill shortage situation as the supply of labour is lower than the demand. Accordingly, 33 occupational classifications had a skill shortage situation in 2005, which was a 38% increase compared to the result of 24 from the previous year. Contributing factors included a strong economy driven by high oil and gas prices. To address the skill shortage concerns, AHRE continued to maintain and develop alliances with business and community groups and other levels of government to develop and implement opportunities for Albertans to keep learning, expanding and diversifying their skills, as well as to attract and retain workers of various skill levels from other provinces and abroad.

SUPPLEMENTAL INFORMATION 3.2
Broad Occupational Categories with an unemployment rate below 3%.

	2003	2004	2005
Management Occupations	1.4%	1.3%	1.7%
Health Occupations	1.2%	0.9%	1.1%
Occupations in Social Science, Education, Government & Religion	2.2%	2.5%	2.1%
Business, Finance and Administrative Occupations	3.0%*	2.7%	2.2%
Natural and Applied Sciences and Related Occupations	3.2%*	3.4%*	1.6%
Occupations in Art, Culture, Recreation and Sport	4.0%*	3.4%*	1.9%
Occupations Unique to Processing, Manufacturing and Utilities	4.3%*	5.0%*	2.8%

* Unemployment rates at or above 3% are provided for comparison purposes only.
Source: Statistics Canada.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

Due to the robust provincial economy, Management Occupations (1.7%); Health Occupations (1.1%); Occupations in Social Science, Education, Government and Religion (2.1%); and Business, Finance and Administrative Occupations (2.2%) continued to be in a skill shortage situation with an unemployment rate below 3%. However, three other broad occupational categories, namely Natural and Applied Sciences and Related Occupations, Occupations in Art, Culture, Recreation and Sport and Occupations Unique to Processing, Manufacturing and Utilities, had an unemployment rate below 3% for the first time in 2005. These results demonstrated that skill shortages are affecting more industries.

SUPPLEMENTAL INFORMATION 3.3
Labour productivity: Inter-provincial rank of real GDP in dollars per hour worked.

	2003	2004
Labour productivity: Inter-provincial rank of real GDP in dollars per hour worked.	#1	#1

Source: Centre for the Study of Living Standards.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

This information demonstrates Alberta's interprovincial ranking of the relationship between the output of goods and services, as is measured by the gross domestic product (GDP), and the input of resources, as is measured by labour hours, used in the production process. Alberta had the highest interprovincial ranking in Canada in 2004, which likely reflects the concentration of the Oil and Gas industry in this province and the high GDP in dollar value generated per worker by that industry.

Goal 4: Alberta has a fair, safe and healthy work environment

What it means

Albertans require fair, safe and healthy workplaces. The Department helps organizations develop positive labour-management relationships through better communication, problem solving and cooperation. The Department also promotes, regulates and provides information on workplace health and safety, and fair and balanced employment standards and practices. In addition, the Department ensures professional associations are governed in the public interest.

STRATEGY 4.1
Support Alberta's workplaces to resolve workplace issues effectively by providing mediation, arbitration and facilitation services.

The Department appointed mediators to assist employers and unions to resolve collective bargaining disputes and arbitrators to resolve differences arising from the application or interpretation of collective bargaining agreements. In 2005/2006, 98% of collective bargaining agreements were settled without a strike or lockout. The Department made 113 mediation and 281 arbitration appointments and AHRE provided facilitation services to assist several unionized health care, municipal and private sector workplaces to build stronger working relationships.

STRATEGY 4.2
Implement approaches to enhance compliance with employment standards and workplace health and safety.

The Department initiated the Employment Standards Review by holding public, staff and stakeholder consultations, which included both employer and employee feedback.

AHRE completed the investigation of over 4,100 complaints registered under the *Employment Standards Code*. Non-compliant employers were the subject of 461 targeted inspections. Under the *Occupational Health and Safety Act*, 13,700 inspections, including over 7,000 proactive targeted inspections, were conducted to ensure compliance with legislative requirements and promote the need for an increased health and safety focus on Alberta worksites.

STRATEGY 4.3
Review workplace legislation to ensure it is current and relevant to Alberta's workplaces, including issues arising from the MLA *Labour Relations Code* Review.

A cross-jurisdictional review of legislation and policy was completed regarding the review of the *Employment Standards Code* to facilitate amendments in 2007. To further ensure workplace health and safety rules are relevant and current, the Department also initiated the *Occupational Health and Safety Code* review by conducting consultations with industry and labour groups. The Department also implemented Alberta's minimum wage increase to $7.00 an hour from $5.90 an hour. The new rate, after tax, ranked Alberta fourth among the provinces as of September 2005.

STRATEGY 4.4
Continue to monitor legislation governing professions and occupations to ensure it is sensitive to the needs of professional and occupational associations and stakeholders.

The Department initiated the development of regulations to ensure the *Agrology Profession Act* reflects current Alberta government policy and industry practice. In addition, the Department prepared amendments to the *Architects Act* to enable the Alberta Association of Architects to establish continuing competency requirements for Alberta architects and licensed interior designers. AHRE also prepared amendments to the *Engineering, Geological and Geophysical Professions Act* and its supporting regulations to ensure that Registered Professional Technologists in engineering and geosciences have full voting and council membership rights in the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

STRATEGY 4.5
Promote access to employment opportunities by reducing or eliminating labour mobility barriers.

To provide Albertans and British Columbians with improved access to trade, investment and employment opportunities between the two provinces, AHRE supported development of a new Agreement on Trade, Investment and Mobility. In addition, the Department has participated in the Labour Mobility Co-ordinating Group to ensure Canadians have improved access to employment opportunities within Alberta.

STRATEGY 4.6
Provide Albertans with access to workplace health and safety and employment standards information.

The Department provided Albertans with a comprehensive view of workplace health and safety in the province through the *2004 Occupational Injuries and Diseases in Alberta* reports. AHRE also provided Albertans with access to Employment Standards decisions online through *Quicklaw* and developed new and updated existing fact sheets (e.g., *Minimum Wage Exemptions, Defining Employees, Contractors and Volunteers, Adolescent Employment* and *Process for Umpire Hearings*) to ensure Albertans are aware of their rights and responsibilities. Further, AHRE supported employment standards education including workshops, seminars, training sessions and trade shows to raise awareness of and build industry capacity for *Employments Standards Code* compliance.

AHRE provided Alberta workers and employers with easily accessible, interactive and user-friendly information and tools to facilitate safe and healthy workplaces (e.g., new eLearning programs: *Shift Work and Fatigue* and *Recognizing Workplace Hazards*). The Department also completed a 'small business' section on the Workplace Health and Safety website to assist employers to comply with Occupational Health and Safety legislation and to implement best practices to reduce workplace injuries.

STRATEGY 4.7
(Key Corporate Initiative – Work Safe Alberta)
Develop new approaches and measurement tools to further improve workplace safety.

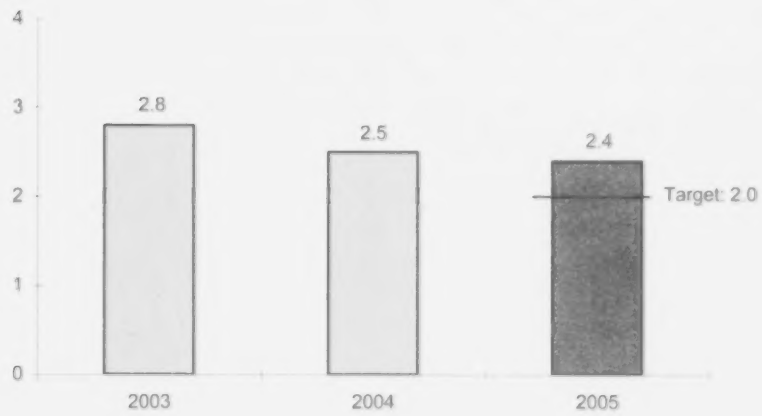
The Department was awarded the silver 2005 Institute of Public Administration of Canada Award for innovative management for Work Safe Alberta.

AHRE held a Minister's forum, *Moving Forward with Work Safe Alberta*, involving business, labour and government leaders to obtain input and endorsement of the strategy to move forward with the second phase of Work Safe Alberta, which will increase awareness of workplace health and safety, strengthen employer and employee motivation, and further improve Alberta's safety systems. In addition, 340 employers were acknowledged as Alberta's Best Safety Performers and three companies were honoured with awards for innovation in workplace health and safety.

The Department developed and initiated field tests in eight Alberta high schools for workplace health and safety resources for high school teachers (including a resource binder and toolkit) to enhance student knowledge of workplace health and safety. A Work Safe Passport for recording workplace health and safety training has been developed and field-tests were initiated in high schools as part of a joint education project. In addition, efforts have been focused on providing guidance on strategies to reduce work-related incidents, injuries and fatalities involving youth.

In partnership with the Workers' Compensation Board – Alberta (WCB), work has been initiated to develop the new measurement, "total disabling injury rate," to report the state of workplace health and safety in Alberta.

PERFORMANCE MEASURE 4.a
Lost-Time Claim Rate (LTC): Number of lost-time claims per 100 person-years worked.



Source: Human Resources and Employment and Workers' Compensation Board – Alberta.
Note: Past results were revised in 2005 to reflect improvements in data collection methodology. For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

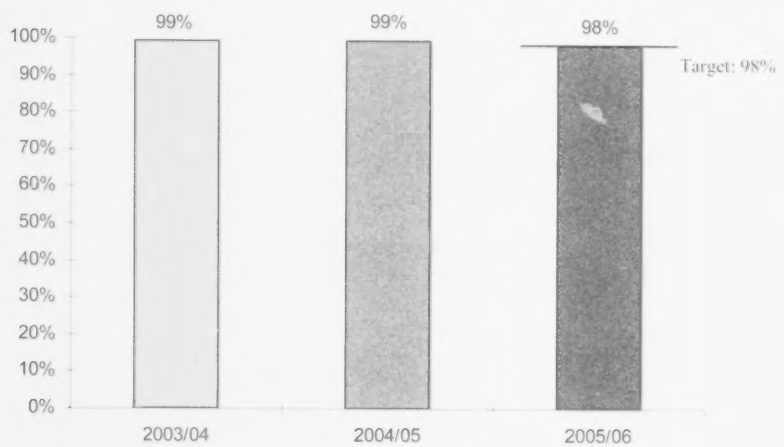
ANALYSIS OF PERFORMANCE MEASURE RESULTS

The lost-time claim rate provides an estimate of the probability, or risk, of disabling injury or disease to a worker during a period of one year's work. A lost-time claim occurs when a worker receives wage loss compensation for one or more days after the date of injury.

In 2005, Alberta workplaces had their best safety performance in over a decade. While the target of 2.0 was not met, the provincial lost-time claim rate has continued to drop year after year to its current low of 2.4. A lost-time claim rate of 2.4 represents about 14,000 fewer lost-time injuries each year and over $220 million in direct annual WCB claims cost savings.

The provincial government has engaged ongoing effort to educate employers and workers about how to work safely and formally recognize people or groups who are health and safety innovators and employers with the best safety performance records.

PERFORMANCE MEASURE 4.b
Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).



Source: Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

Indicators of labour stability in Alberta include the percentage of collective bargaining agreements that parties reach on their own as well as the percentage of mediation appointments that avoid work stoppages. This measure refers to the percentage of collective bargaining agreements successfully negotiated and ratified by the parties involved. The percentage of expired collective agreements that were settled without a work stoppage was 98%, which met the target of 98%. This was an achievement considering the number of external factors influencing the measure, which included a low provincial unemployment rate, workers' expectations, and skill and labour shortages.

PERFORMANCE MEASURE 4.c
Satisfaction of individuals and organizations which have used selected workplace programs and services:
- Workplace Health and Safety Contact Centre
- Employment Standards Contact Centre.

	2003/04	2004/05	2005/06	Target
Workplace Health and Safety Contact Centre	n/a*	Data Collected Biennially	96%	90%
Employment Standards Contact Centre	n/a*	Data Collected Biennially	96%	90%

* Past results are not comparable due to a change in methodology.
Source: Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

AHRE provides Alberta employees and employers with information on workplace health and safety through the Workplace Health and Safety Contact Centre (WHSCC), which answers telephone and e-mail inquiries about workplace hazards and safety requirements issues. AHRE also provides Alberta employees and employers with information on employment standards through the Employment Standards Contact Centre (ESCC), which answers inquiries about issues such as employee underpayment, holiday and overtime entitlements, and termination.

Client satisfaction for both WHSCC and ESCC exceeded the target of 90% by six percentage points, which demonstrated how well WHSCC and ESCC met the needs of Albertans requiring information on employees' and employers' obligations and rights and responsibilities in the workplace. The current results were not directly comparable to prior years as AHRE has revised the methodology to use the efficient Speech Automated Survey System to allow real time data collection and reporting. When also asked to rate their satisfaction with improved understanding of their rights and responsibilities in the workplace, the majority of the survey respondents for ESCC and WHSCC said they were satisfied – 89.8% and 74.6% respectively.

SUPPLEMENTAL INFORMATION 4.1
Percentage change in the Lost-Time Claim Rate for targeted employers – employers with a poor health and safety record.

	2003/04	2004/05	2005/06
Percentage change in the Lost-Time Claim Rate for targeted employers – employers with a poor health and safety record.	n/a*	n/a*	23% decrease

* Past results are not comparable due to a change in methodology.
Source: Workers' Compensation Board – Alberta and Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measure Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

Employers with a high risk of unsafe working conditions are identified and targeted to raise awareness of workplace health and safety. In 2005/2006, over 2,100 inspections were conducted with targeted employers and more than 1,400 compliance orders were issued. The 2005 Targeted Employer program showed a lost-time claim rate of 7.6 per 100 person-years for targeted employers, which was a 23% decrease compared with the previous year's result of 9.9 (previous year's result was restated in 2005 to reflect a methodology change, which resulted in a stricter definition of a lost-time claim). This represents around

1,500 fewer lost-time claims and about $25 million dollars in direct annual WCB claims cost savings for employers on the targeted employer list.

SUPPLEMENTAL INFORMATION 4.2
Percentage of the public aware of workplace health and safety.

	2003/04	2004/05	2005/06
Percentage of the public aware of workplace health and safety.	82%	90%	88%

Source: Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measure Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

The Work Safe Alberta initiative aims to increase public awareness of workplace health and safety and the need to reduce injuries. This information measure demonstrates how well that objective is achieved.

In February 2005, Albertans rated their agreement with the statement that accidents happen at work and there is little that can be done to prevent them. Results showed that 88% of respondents said they disagreed that little could be done, which was a six percentage point increase over the 2003/2004 benchmark but slightly lower than 2004/2005 (by two percentage points). This measure is an indicator of how well Albertans are absorbing the message that actions can be taken to reduce workplace injuries – a key message Work Safe Alberta delivers. It is anticipated that continued public awareness activities as well as the ongoing commitment and support of employers, industry and safety associations, and labour groups will continue to raise awareness of workplace health and safety.

SUPPLEMENTAL INFORMATION 4.3
Percentage change in the number of Certificate of Recognition (COR) holders.

	2003/04	2004/05	2005/06
Percentage change in the number of Certificate of Recognition (COR) holders.	10%	8%	11%

Source: Workers' Compensation Board – Alberta and Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measure Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

AHRE issues a COR to employers who develop health and safety management systems that meet established standards. Holders of a COR increased by 11% over the previous year as a result of ongoing efforts by Certifying Partners to promote and deliver the Partnerships in Health and Safety Program in Alberta. It is shown that effective health and safety management systems have a positive impact on reducing injuries and eliminating the social and financial effects of injuries as well as strengthening participating employers' business success.

SUPPLEMENTAL INFORMATION 4.4
Lost-Time Claim Rate for Certificate of Recognition (COR) holders compared to non-COR holders within selected industry sectors.

Lost-time Claim Rate	2004*		2005	
	COR holders	Non-COR holders	COR holders	Non-COR holders
1) Alberta Construction Safety Association Industries	2.3	3.8	2.0	3.4
2) Steel and Metal Fabrication Industry	3.8	6.9	4.2	6.4
3) Upstream Oil and Gas Industries	1.5	0.9	1.6	0.9

* Results were restated in 2005 to reflect changes in methodology.
Source: Workers' Compensation Board – Alberta and Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

This information covers three selected industry sectors:

1. The Alberta Construction Safety Association (ACSA) Industries included construction trade services, glaziers, industrial construction, masonry, mechanical, electrical and insulation, road builders, roofers, and lime, cement and concrete producers manufacturing. In this industry sector, employers with a valid COR had a lower LTC rate than non-COR holders. The 2004 lost-time claim rate was 2.3 for COR holders, and 3.8 for non-COR holders. The current result for ACSA showed an improvement (i.e., decrease) in the lost-time claim rate for both COR holders and non-COR holders in 2005.
2. For the Steel and Metal Fabrication Industry, the estimate of the probability, or risk, of injury or disease to a worker during a period of one year's work for employers with a COR was lower than non-COR employers in the industry, 4.2 and 6.4, respectively. The LTC rate for COR holders was 3.8 in 2004 compared to 6.9 for non-COR holders.
3. Employers in Upstream Oil and Gas Industries included petroleum producers/exploration, oilfield maintenance and construction, well servicing with service rigs, drilling of oil and gas wells, downhole and other oilfield services, tar sands, and oilfield trucking services. The LTC rate for employers with a valid COR was lower than the provincial overall LTC rate of 2.4, although slightly up on the 2004 rate of 1.5. Due to the low sample size of the non-COR holders in this industry sector, results can fluctuate from year to year. In addition, a number of the non-COR holders represent large administrative organizations that would, in turn, have a low LTC rate and bring down the overall average.

SUPPLEMENTAL INFORMATION 4.5
Use of workplace information services.

	2003/04	2004/05	2005/06
Employment Standards Contact Centre (calls received)	143,907	140,971	126,754
Employment Standards Website Visits	n/a	984,506	1,069,885
Workplace Health and Safety Contact Centre (calls received)	22,226	22,113	20,211
Workplace Health and Safety Website Visits	n/a	1,697,017	1,643,958

Source: Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

The Employment Standards and Workplace Health and Safety contact centres offer a range of support to Albertans including fax-back, e-mail and telephone services. The Employment Standards Contact Centre (ESCC) handled 126,754 calls in 2005/2006, a decrease of 10% over the previous year. Increased online use may have contributed to the reduced inquiries to the ESCC. More than 20,200 calls were processed by the Workplace Health and Safety Contact Centre, which was a reduction of 9% from the previous year.

The volume of visits to the Employment Standards website increased over 2004/2005 by 9% to just over one million visits in 2005/2006. This increase in online access continued to indicate client preferences for Internet-based services. A recent minor website improvement to allow better access to our Employment Standards fact sheets resulted in a substantial increase in the number of visits. Popular website topics included: termination of employment, layoff and recall; general holidays and general holiday pay; hours of work, rest periods and days of rest; minimum wage; maternity and parental leave; and vacations and vacation pay.

The number of visits to the Workplace Health and Safety and Work Safe Alberta Network websites maintained a similar level to 2004/2005, at over 1.6 million visits. Three frequently accessed sections of the websites were: Publications, Videos & Promotional Materials; Acts, Regulations & Codes; and eLearning Programs.

Cross-Ministry Initiatives

Cross-Ministry Initiatives:

The Department of AHRE actively supported and contributed to the successful implementation of the five government cross-ministry initiatives:

- Leading in Learning and Skilled Workforce;
- Economic Development and Innovation;
- Health Innovation and Wellness;
- Aboriginal Policy; and
- Alberta Children and Youth.

A few examples of key achievements resulting from the implementation of strategies supporting cross-ministry initiatives include:

- 82% of participants in training funded by AHRE agreed that their training helped prepare them for future employment.
- 75% of the First Nations Training to Employment Program participants were employed post-intervention.

Key Administrative Initiatives:

The Department also supported and successfully implemented all its strategies in 2005/2006 regarding the four Government cross-ministry Key Administrative Initiatives:

- Corporate Human Resource Development Strategy and Plan;
- Shared Services Delivery Improvement Strategy;
- Service Alberta; and
- Cross-Government Information and Communication Technology (ICT).

A few examples of key achievements resulting from the implementation of strategies supporting Key Administrative Initiatives include:

- AHRE has implemented the Common Service Standards Project, which fosters continuous improvement of services. Results indicated respondents felt staff were courteous (94%) and knowledgeable (92%).
- Demonstrated leadership by implementing standard management performance contract process ahead of the Government of Alberta schedule.
- The Premier's Award of Excellence was received by the following AHRE teams for demonstrating the principles of business excellence: one Gold: Work Safe Alberta; one Silver: Strategic Information Environment; three Bronze: City Centre Area: Centred on Service; Team Up; and Centralized Student Funding Contact Centre: Support for Learner Success - Just one Call Away.

PERFORMANCE ASSESSMENT
Other government departments' satisfaction with the Department's contribution on key initiatives.

ANALYSIS OF PERFORMANCE ASSESSMENT RESULTS

The Department continued to receive strong support from other departments as 92% agreed, "AHRE staff are very fair when collaborating with partners," a result similar to previous years, which surpassed the 90% target.

PAO
Results Analysis

Personnel Administration Office

RESULTS ANALYSIS

- Integrated Results Analysis
- Detailed Program Results Analysis and Discussion

Integrated Results Analysis for Core Business:

HUMAN RESOURCE MANAGEMENT

PROVIDING STRATEGIC LEADERSHIP OF HUMAN RESOURCE MANAGEMENT IN THE ALBERTA PUBLIC SERVICE

Goal 5: An integrated, effective and enabling human resource management framework in the Alberta Public Service

Section Reference: *See Results Analysis and Discussion – Goal 5 section*

PERFORMANCE MEASURES	Results	Target	Variance
5.a Client satisfaction with human resource strategies and policy frameworks. Note: Last Actual from 2004/2005 was 79%	n/a[1]	n/a[1]	n/a[1]
5.b Client satisfaction with working relationship with the Personnel Administration Office. Note: Last Actual from 2004/2005 was 92%	n/a[1]	n/a[1]	n/a[1]

Goal 6: An engaged and healthy public service that is positioned to meet emerging and diverse government goals.

Section Reference: *See Results Analysis and Discussion – Goal 6 section*

PERFORMANCE MEASURES	Results	Target	Variance
6.a Percentage of employees who are satisfied with their employment in the Alberta Public Service.	78%	83%	(5%)
6.b Alberta Public Service lost-time claim rate (per 100 person-years worked, data based on calendar year).	1.7	1.0	(0.7)

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	12,901	*See Supplementary Ministry Information Section*
	Actual Spending	12,613	
	Variance	288	

INTEGRATED RESULTS ANALYSIS – CORE BUSINESS FOUR (GOALS FIVE & SIX)
HUMAN RESOURCE MANAGEMENT – PROVIDING STRATEGIC LEADERSHIP OF HUMAN RESOURCE MANAGEMENT IN THE ALBERTA PUBLIC SERVICE

The Personnel Administration Office's (PAO) budget of $12.9 million was used to provide strategic leadership of human resource management in the Alberta Public Service and to address the priorities of the government-wide Corporate Human Resource Plan and to support best practices research. Expenditures supported the continued development of a comprehensive policy framework for human resource management in the areas of benefits, compensation, classification, labour relations, staffing, workforce development, employee engagement and workplace health. As well, PAO continued to provide collective bargaining, employee assistance and executive search services. Under the Corporate Human Resource Plan, initiatives this year focused on attracting and retaining talent, promoting workplace health, achieving high performance and building employee capacity (the main objective of the new Executive Mobility Program).

[1]The client satisfaction results are collected every two years. The next survey will be conducted in 2006/2007.

Detailed Program Results Analysis and Discussion

Goal 5:

An integrated, effective and enabling human resource management framework in the Alberta Public Service

What it means

A comprehensive policy framework for human resource management enables a positive and productive working environment and accountability for the management of human resources in the Alberta public services. The framework provides a corporate approach that is established in collaboration and consultation with stakeholders. It includes the areas of benefits, compensation, classification, labour relations, collective bargaining, staffing, workforce development and workplace health. Functional experts provide consulting services to ministries to support the effective implementation of human resource initiatives. Information technology tools and strategies are sought out and used to leverage the effectiveness of human resource programs.

STRATEGY 5.1
Develop and maintain comprehensive human resource policies.

A three-year collective agreement was reached with the Alberta Union of Provincial Employees (AUPE) and ratified by its membership in the spring of 2005. The term of the agreement covers the period of September 1, 2004 to August 31, 2007. A detailed summary of the agreement was sent to all public service managers and four detailed in-person briefings for the human resource community were conducted.

Training in employee/labour relations was provided to the human resource community and frontline managers. Training included a number of four-day employee relations courses, half-day sessions updating the community on recent arbitration cases facing the employer, and numerous audio conferences covering a variety of topics of interest. As well, pilot sessions aimed at training human resource consultants on the grievance process were conducted in the fourth-quarter, with 36 attendees. Participants were asked to provide input into how the session could be improved and all recommended the program for other human resource professionals. A supporting reference guide was also developed.

A new management pay structure was implemented in August 2005. These adjustments were implemented to ensure that the Government of Alberta is able to offer competitive salaries to attract and retain managers within the public

service. A review of the Government of Alberta achievement bonus policy was conducted and changes were approved in July 2005.

As of March 31, 2006, all bargaining unit positions have been moved to the Point Rating Evaluation Plan (PREP), which is now the job evaluation system for non-management positions in the APS. The Personnel Administration Office (PAO) worked with ministries and the AUPE to implement PREP in the three outstanding subsidiaries. Work on converting the last group of excluded classes to PREP is in the final stages.

The benchmarks for the Management Job Evaluation Plan were updated. In addition, a new management job description format was developed and a training tool was developed and posted on the PAO website to assist ministries in implementing the new format when writing management job descriptions.

An open enrollment period for the *1st choice* benefit program for managers and non-union employees was conducted with more than 600 employees making a benefit change. Benefit plan changes negotiated to *Your Employee Benefits Program* for employees who are members of AUPE were implemented effective July 1, 2005.

A review of the Public Service Subsistence, Travel and Moving Expenses Regulation was conducted in response to rising gasoline prices. As a result, an interim adjustment to kilometre rates was implemented October 1, 2005.

STRATEGY 5.2
Address emerging human resource trends and issues.

An Electronic HR (E-HR) Advisory Group was established as a subcommittee of the Human Resource Director's Council. It was formed to establish a long-term strategy and framework for ongoing strategic decision making to guide the Government of Alberta in improving electronic human resource processes and procedures. It focuses on exploring ways to better leverage technology and processes to improve access to HR information for decision-making, collaboration, and workflow optimization.

An HR Management Dashboard was developed. This project improves managers' and supervisors' access to their employees' employment information through a web-based tool using the data found in IMAGIS. (IMAGIS is the integrated management information system for human resources in the Government of Alberta). The project included web page and security design approval, user acceptance testing and the development of communication and training materials. The product is available for implementation in participating pilot ministries.

The new position of Executive Director, HR Technology Integration was created and recruited to under the Executive Mobility Program on a 12-month secondment basis. This position will provide focus and leadership to the HR community towards the shared objective of increasing the integration of technology into human resource business processes.

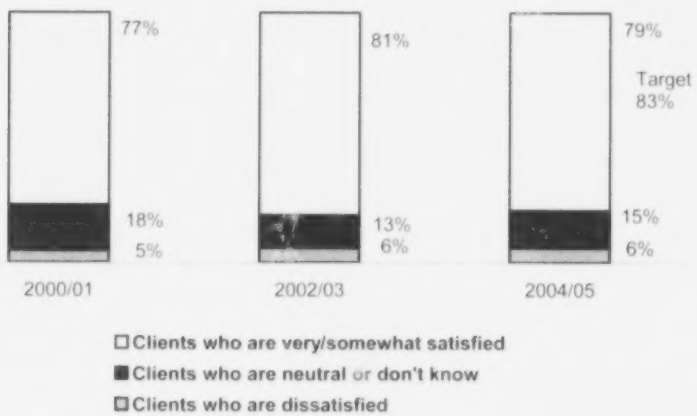
At the September 2004 Annual Public Service Commissioner's (PSC) Conference, Alberta's Public Service Commissioner proposed that other public service jurisdictions share results of their employee surveys for benchmarking purposes and determining best practices throughout the Canadian government public sector. The following year, at the 2005 Annual PSC Conference, a proposal developed by a working team led by Alberta, with representatives from British Columbia, Saskatchewan, Ontario, Nova Scotia, Yukon and the federal government was endorsed by all public service commissioners. This proposal included a set of 20 specific questions to measure employee engagement that participating jurisdictions agreed to use in upcoming employee surveys. Alberta incorporated these 20 questions into its 2005 Corporate Employee Survey.

PERFORMANCE MEASURE 5.a
Client satisfaction with human resource strategies and policy frameworks

PAO conducts a comprehensive survey of its clients every two years to gauge their satisfaction with services and supports provided by PAO. The primary clients surveyed are deputy ministers and their executive committees, human resource directors and human resource professionals in government ministries. The last survey was conducted in the spring of 2004.

To measure client satisfaction, an independent survey organization, Research Innovations Inc., conducted a census survey of PAO's clients using a combination of telephone interviews and web/e-mail based data collection methods. Of the 381 clients eligible to participate, 324 participated in the study. Data on measures of overall satisfaction with working relationships with PAO and overall satisfaction with PAO's human resource strategies and policy frameworks were collected. Individual responses were categorized on a scale of one to five, ranging from very satisfied to very dissatisfied. Results were averaged to give each group equal weight.

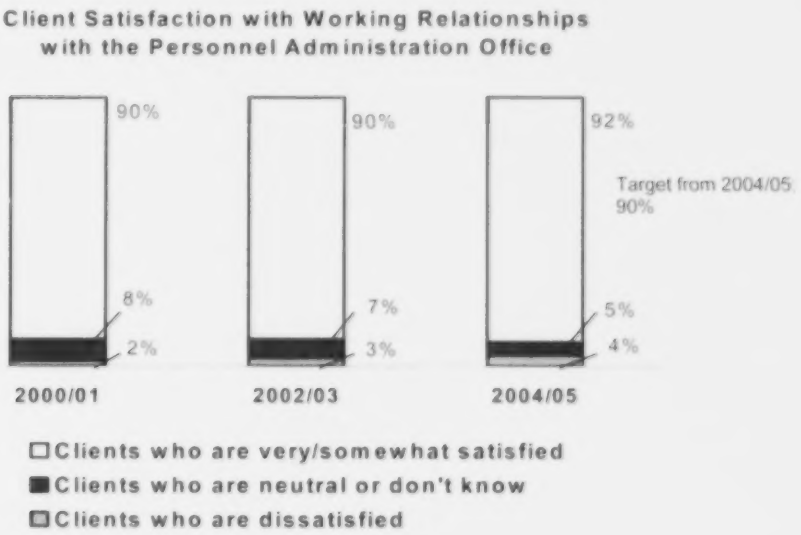
Client Satisfaction with Human Resource Strategies and Policy Framework



ANALYSIS OF PERFORMANCE MEASURE

PAO's client satisfaction survey was not conducted in 2005/2006 as it is a biennial survey. In the last survey, which was conducted in 2004/2005, 79% of clients were somewhat or very satisfied with the corporate human resource strategies and policy frameworks developed by PAO. The next survey will be conducted in the spring of 2006/2007.

PERORMANCE MEASURE 5.b
Client satisfaction with working relationships with PAO



ANALYSIS OF PERFORMANCE MEASURE

PAO's client satisfaction survey was not conducted in 2005/2006 as it is a biennial survey. Results from the previous survey in 2004/2005 showed PAO clients continued to have high satisfaction with their working relationships with PAO as their satisfaction level was 92%. The next survey will be conducted in the spring of 2006/2007.

SUPPLEMENTAL INFORMATION
Labour Relations Statistics (Source: IMAGIS[1] HR data base)

PAO represents the interests of the Government of Alberta as an employer, in the resolution of workplace disputes, including employee grievances. PAO manages the dispute resolution process when a dispute is referred to an arbitration board. In 2005/2006, the number of grievances that progressed to the arbitration level was 30, which is consistent with the 10-year average of 29.3 grievances per year. The majority of grievances continue to be resolved prior to arbitration.

[1] IMAGIS is the integrated management information system for human resources in the Government of Alberta

Goal 6:

An engaged and healthy public service that is positioned to meet emerging and diverse government goals

What it means

The public service is dedicated to superior client service and business excellence in delivering programs and services to Albertans. The ability to attract, engage, develop and retain skilled and knowledgeable employees is critical to achieving the goals of government. The overall productivity and success of employees is supported through a healthy and safe work environment, opportunities for input and involvement and ongoing recognition for a job well done. Addressing issues of work/life balance and building effective working relationships contributes to a positive work environment. A strong commitment to building capacity and continuous learning ensures there are talented people to meet the challenges of today and the future.

STRATEGY 6.1
Attract and retain talent.

Executive Search services were provided to attract, recruit and manage appointment processes for executive managers, senior officials and board members for Alberta government departments and significant agencies, boards and commissions. A significant increase in demand for services occurred in 2005/2006, resulting in Executive Search managing 116 competitions with 109 appointments. Executive Search provided services to 22 ministries; Executive Council; eight significant agencies, boards and commissions; and for Legislative Assembly Offices, which included Office of the Auditor General and Office of the Chief Electoral Officer.

The Bulletin Online website was renamed the Alberta Public Service Jobs website and its content was enhanced to make it more user-friendly. Currently, 89% of applicants apply online for employment within the APS. This is an increase from 2004/2005, when 85% of applicants applied online.

A promotional video called, "Working in the Alberta Public Service" went live on the Government of Alberta employment website in August 2005. The purpose of this video is to promote the Alberta Public Service as a career choice. A total of 38,723 hits were received as of March 31, 2006. Eight short videos of individual employee career profiles were also posted on the employment website in July.

The Student Summer Employment Registration Service went live on the internet on February 28, 2006. As of March 31, 2006, more than 730 resumes had been received. The registration service is available to students through the APS Jobs Website and provides them with an easy and efficient way to submit their resumes into a centralized database for potential summer employment opportunities with the APS. The service promotes the one employer concept and offers ministries a streamlined process for summer student recruitment. The registration service will be available to students from February 1 to August 1 each year.

The Ambassador Program continued its work in raising the profile of the APS as an employer of choice. In 2005/2006, 219 ambassadors promoted the public service as a career choice. They participated in 15 career fairs, six career forums and two information sessions. The program hosted two new employer information sessions at the University of Alberta, one on "Applying for Jobs in the Government of Alberta" and one on "Careers in the APS". In addition to the corporate events, 16 ministries created their own promotional materials and/or participated in events targeted to their specific recruitment needs.

In 2005/2006, there were 286 intern placements in the public service. The Government of Alberta Intern Network (GAIN) continued to support interns across government through various professional development sessions that included a Myers-Briggs Indicator® Workshop, an interactive workshop around career development, a Code of Conduct and Ethics information session and a tour of the Alberta Legislature. Also, a new visual look and name, "So Much to GAIN", was unveiled in October 2005 for the quarterly GAIN newsletter which keeps members of this cross-government community connected.

STRATEGY 6.2
Foster continuous learning and build employee capacity.

The Executive Mobility Program was introduced in April 2005 to provide executives with an opportunity to expand their experience in the form of secondments between ministries. Twenty-five participants were confirmed in secondment positions with a total of 20 ministries participating in this program (either hosting positions or sending executives to other departments).

The first enrollment of Senior Manager Assessment Services began in September 2005, with 30 participants. The second enrollment began in January 2006, with 28 senior managers participating. Employees from 20 ministries participated in this service.

The 2005 Premier's Award of Excellence Ceremony, held in October 2005, marked the 11th anniversary of this program. Thirty-two submissions from ministries and eligible agencies, boards and commissions received awards.

A Service Excellence Forum jointly organized with the City of Edmonton and federal government, was held in May 2005. Two hundred and twenty-six participants registered, with 90% indicating the forum was valuable to attend.

An information session was hosted for all the teams enrolled in the Deputy Minister of Executive Council's Service Excellence Recognition Program in November 2005. The Service Excellence Recognition Program recognized five teams as of March 31, 2006.

The new Management Essentials in the Alberta Public Service training program, to provide new managers with basic information and skills to become a successful manager in the APS, was developed and piloted in March 2006, in consultation with the Government of Alberta Learning Centre in Restructuring and Government Efficiency.

An information session about the Corporate Executive Development, Senior and Executive Managers' Development and Management Development programs was hosted in September 2005 for all levels of APS managers, professional/technical and senior administrative employees.

STRATEGY 6.3
Support and enhance employee performance.

Supervisors' actions and their relationship with their employees are central to supporting and enhancing employee performance. To strengthen the supervisor-employee relationship, a conference for supervisors called "Be the Supervisor You'd Love to Have" was offered as three one-day sessions in January 2006. Held on January 17 and 18 in Edmonton and January 24 in Calgary, all the conference dates were filled to capacity. Overall, 99% of the participants who completed an evaluation form felt the conference was valuable to attend and 99% felt the conference provided information that would help enhance the quality of the relationship they have with their employees.

The conference focus on the supervisor-employee relationship was further reinforced through practical "take-aways" from the conference that included tools/supports for supervisors, such as handouts. A website housing the supervisor conference content, tools and "take-aways", including audio and key documents, was developed and made available to all APS employees. Participants received supplemental information at 30/60/90 day intervals following the conference to promote continual learning.

Another key aspect of this strategy is performance management. A management performance contract template was developed to further advance common approaches to performance management across the APS. Ministries were provided the option of converting to and using the manager performance contract template in either the 2005/2006 fiscal year or next fiscal year (2006/2007).

STRATEGY 6.4
Foster a positive, safe and healthy work environment.

The development of the Certificate of Achievement in Safety Excellence (CASE) was a key focus in 2005. CASE provides ministries with an electronic process to evaluate the effectiveness of the safety programs in their ministries. The process also has the ability to create action plans based on the input of both the ministry and employees. CASE will be piloted and available for ministries to use in 2006/2007.

An electronic calendar of events for Canada's Healthy Workplace Week was developed and made available to all Government of Alberta employees during the week of October 24-30, 2005 to support education, participation and prevention practices for healthy lifestyles.

A Supervisor's Workplace Health Toolkit was developed and presented at the January 2006 supervisors' conferences for use as a reference source for programs, initiatives and prevention information to foster and promote healthy workplaces.

The cross-government influenza vaccination program was coordinated in support of vaccinations being provided at no cost to all APS employees. This year's vaccination program was completed in November 2005.

PERFORMANCE MEASURE 6.a
Percentage of employees who are satisfied with their employment in the Alberta Public Service.

Measurement data under this goal is collected through the annual Corporate Employee Survey.

Measures of employee satisfaction have been established and annual surveys have been conducted since 1996. The 2005/2006 Corporate Employee Survey was conducted by an independent survey organization, Research Innovations Inc. from September 22 to November 25, 2005. More than 12,000 Government of Alberta employees were surveyed, using a combination of online and telephone surveying. The margin of error was no greater than ±1% at the 95% confidence level.

Corporate Human Resource Plan Measures	Source	2003/2004 Actual	2004/2005 Actual	2005/2006 Actual	2005/2006 Target
% of employees who are satisfied with their employment in the Alberta Public Service.	Corporate Employee Survey	80%	79%	78%	83%

ANALYSIS OF PERFORMANCE MEASURE

Seventy-eight percent of Government of Alberta employees surveyed indicated they are satisfied with their employment in the Alberta public service, which is a decrease of one percentage point from 2004/2005. Over the past several years, results in this area have remained relatively consistent. Work is ongoing in this area, with five key priorities identified in the Alberta Public Service Human Resource Plan (formerly the Corporate Human Resource Development Plan) driving initiatives that can positively impact employee satisfaction.

PERFORMANCE MEASURE 6.b
Alberta Public Service lost-time claim rate (per 100 person-years worked, data based on calendar year)

The measure shown on the chart below provides information on the time lost due to incidents/injury in the Alberta Public Service. Frequency of incidents/injuries is based on a standard formula that calculates the number of lost time claims per 100 person-years worked.

Well-being Performance Measure (Calendar Year)	2003 Actual	2004 Actual	2005 Actual	2005 Target
Frequency of incidents/injuries (Lost time claims per 100 person- years worked)	1.8	1.7	1.7	1.0

Source: IMAGIS* Occupational Health & Safety Database
* IMAGIS is the integrated management information system for human resources in the Government of Alberta.

ANALYSIS OF PERFORMANCE MEASURE

The APS's lost-time claim rate (frequency of incidents resulting in workplace disabling injuries) was the same in 2005 as in 2004. This lost-time claim rate continued the historical trend of being lower than the combined workplace lost-time claim rate as reported by Human Resources and Employment for employers in Alberta, which was 2.4 according to the Government of Alberta Annual Report 2005/2006 (Measuring Up).

SUPPLEMENTAL INFORMATION
Workplace Health

Work days lost measures the number of workdays that employees lost due to injury, relative to the total hours worked. This information is based on disabling injuries that occurred in the calendar year. Days lost from within that calendar year and up to the end of March of the following year for those incidents are included. The methodology is consistent with the methodology used by Alberta Human Resources and Employment.

	2002	2003	2004	2005
Work days lost[1] (per 100 person years worked) Calculated as: (Number of work days lost x 200,000 hours)/Employee Hours Worked	62.7	43.2	38.3	31.7

Note: Well-being Performance Measure on calendar year
Source: IMAGIS (Occupational Health & Safety module). IMAGIS is the integrated management information system for human resources in the Government of Alberta.

Time lost to general illness measures the average number of general illness days taken per employee across the APS. General illness covers absences due to illness or injury greater than three days, to a maximum of 80 days.

	2002/03	2003/04	2004/05	2005/06
Time lost to general illness (average number of days lost per employee)	4.5	4.4	4.5	4.7

Sources: IMAGIS HR module.

[1] The work days lost statistic is due to workplace injury.

SUPPLEMENTAL INFORMATION
Executive Search

EXECUTIVE SEARCH STATISTICS

	2003/2004	2004/2005	2005/2006
Number of Competitions			
Open	43	38	**77**
Limited	10	24	**39**
Total	53	62	**116**
Competitions Managed			
Senior Official/ Deputy Minister	6	11	**9**
Executive Manager II	4	11	**22**
Executive Manager I	30	29	**66**
Other Levels	7	9	**10**
Other*	6	2	**9**
Total Competitions Managed	53	62	**116****

Source: Personnel Administration Office.
* Includes agencies, boards and commissions; Legislative Assembly Offices
**Includes 17 carried forward from 2004/2005 and 99 new competitions initiated in 2005/2006. As of March 31, 2006, 33 competitions were in progress and will carry forward into 2006/2007.

SUPPLEMENTAL INFORMATION
Benefit Plans

The following two tables provide statistics on the benefits paid to employees and usage of the employee benefit plans. A description of the plans appears below each table.

Plan		Benefits Paid ($ thousands)		
		2003/2004	2004/2005	2005/2006
Basic Group Life Insurance	Deaths	47	65	47
	Total Benefits Paid	$4,167	$6,447	$4,982
Accidental Death & Dismemberment Insurance	Deaths	2	1	0
	Total Benefits Paid	$204	$152	$0
Dependents' Life Insurance	Deaths	46	31	37
	Total Benefits Paid	$330	$230	$271
Enhanced Life Insurance	Deaths	6	8	3
	Total Benefits Paid	$676	$1,782	$715
Retiree Life Insurance	Deaths	246	222	220
	Total Benefits Paid	$748	$682	$680

Source: Personnel Administration Office; Great-West Life Assurance Company

About the Plans

Basic Group Life Insurance
A lump sum is paid to the beneficiary on the employee's death. A partial advance payment of the total coverage may be paid to a terminally ill employee. The employer pays two thirds, and the employee pays one third of the premium.

Enhanced Life Insurance
Employee-funded, this additional optional coverage is based on a multiple of annual salary and is available to management and non-union employees.

Accidental Death and Dismemberment Insurance
This policy provides additional benefits if death was accidental, or if an accident causes loss of use of limbs. The employer pays two thirds, and the employee one third of the premium.

Dependents' Life Insurance
Employee-funded, this benefit is paid to the employee on the death of an insured spouse or child.

Retiree Life Insurance
Beneficiaries receive a benefit on the death of an insured retired employee. The benefit for employees who were in the bargaining unit is $4,000. The management and non-union plan provides a $4,000 benefit if the employee retired or is still employed past age 70 with less than 10 years of service, $5,000 if the employee retired, terminated or is still employed past age 70 with 10 to 20 years of service, and $7,000 if the employee retired, terminated or is still employed past age 70 with 20 years or more service.

SUPPLEMENTAL INFORMATION
Benefit Plans (cont'd)

Plan		Benefits Paid ($ thousands)		
		2003/2004	2004/2005	2005/2006
Extended Medical Benefits and Prescription Drug Plans	Extended Medical Benefits Paid	$13,938	$14,641	$17,354
	Prescription Drug Benefits Paid	$3,915	$4,126	$4,589
Travel-Occupational Accident Insurance	Deaths	0	0	0
	Benefits Paid	$0	$0	$0
Dental Plans	Benefits Paid	$14,524	$14,982	$16,846
Long-Term Disability Income Continuance Plan	Benefits Paid	$21,133	$23,276	$24,746
	Number of employees receiving benefits	1,098	1,114	1,149
	Number of new claims during the year	312	289	298

Source: Personnel Administration Office; Great-West Life Assurance Company.

About the Plans

Extended Medical Benefits and Prescription Drug Plans
These plans provide optional coverage for prescription drugs and other medical services. Employees and the employer share the premiums associated with participating in the plan.

Dental Plans
The dental plans reimburse up to 80% for basic dental services and, up to 50% for major services and orthodontic services (within annual limits). An enhanced employee-paid plan for management and non-union employees provides a higher reimbursement level. All plans cover the employee, the employee's spouse or benefit partner, and eligible children.

Travel-Occupational Accident Insurance
This plan covers wage and a small number of other employees who are not covered under the life insurance plan. The plan is employer-funded and is for accidents causing death or dismemberment which occur at work or when traveling on government business. The principal benefit is equal to four times an employee's salary to a maximum of $200,000.

Long-Term Disability Income Continuance Plan
Employees unable to perform at least 60% of their job duties or undertake employment due to their medical condition are provided with benefits up to 70% of their pre-disability salary. Employees capable of returning to work receive rehabilitation and re-employment assistance.

SUPPLEMENTAL INFORMATION
Employee Funded Leave Program

Employees may regularly set aside a portion of their salaries with the trustee for this program. They receive the deferred salary back at a later date, while on a leave of absence ranging from 4 to 12 months in length. In 2005/2006, 40 employees participated, with the value of the program fund at $722,644.63 as of March 31, 2006.

SUPPLEMENTAL INFORMATION
Profile of the Alberta Public Serivce

As of March 31, 2006 there were 24,026* employees in the Alberta Public Service, a slight increase over March 31, 2005 when there were 23,197 employees.

* Salaried staff includes permanent, temporary, and long term wage employees.

Distribution of staff by ministry

Ministry	Employees	Percentage of Public Service
Aboriginal Affairs and Northern Development	95	0.4%
Advanced Education	474	2.0%
Agriculture, Food and Rural Development	1,051	4.4%
Children's Services	2,901	12.1%
Community Development	813	3.4%
Economic Development	254	1.1%
Education	738	3.1%
Energy	592	2.5%
Environment	820	3.4%
Executive Council	85	0.4%
Finance	546	2.3%
Gaming	46	0.2%
Government Services	497	2.1%
Health and Wellness	876	3.6%
Human Resources and Employment	1,974	8.2%
Infrastructure and Transportation	1,739	7.2%
Innovation and Science	103	0.4%
International and Intergovernmental Relations	66	0.3%
Justice & Attorney General	2,360	9.8%
Legislative Assembly	89	0.4%
Municipal Affairs	352	1.5%
Office of Auditor General	126	0.5%

Distribution of staff by ministry (continued)

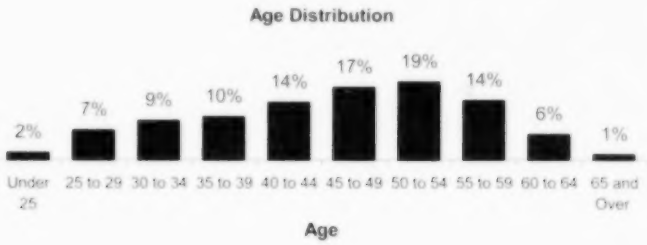
Ministry	Employees	Percentage of Public Service
Office of the Chief Electoral Officer	8	0.0%
Office of the Ethics Commissioner	2	0.0%
Office of Information and Privacy Commissioner	39	0.2%
Office of the Ombudsman	20	0.1%
Personnel Administration Office	95	0.4%
Public Affairs Bureau	196	0.8%
Restructuring and Government Efficiency	1,164	4.8%
Seniors and Community Supports	2,094	8.7%
Solicitor General	2,180	9.1%
Sustainable Resource Development	1,631	6.8%
	24,026	100.0%

Source: IMAGIS database; Legislative Assembly Office; Office of the Ethics Commissioner; Office of the Information and Privacy Commissioner.

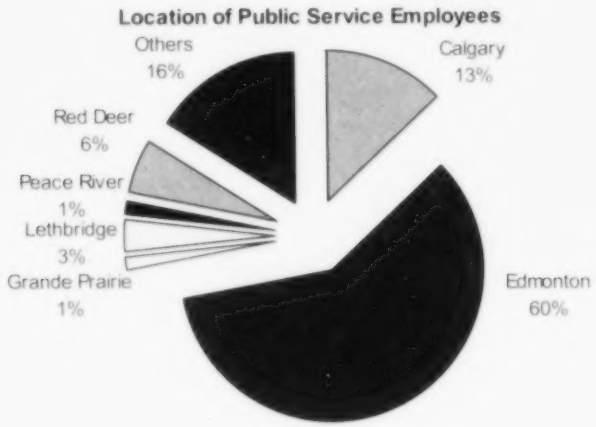
SUPPLEMENTAL INFORMATION
Employee distribution (age, salary and location)

The following charts include permanent, temporary, and long-term wage employees. Data is obtained from IMAGIS.

The average age of permanent salaried public service employees remained at 46 in 2005/2006.



The average annual salary of permanent full time public service employees in 2005/2006 was $59,281.


Location of Public Service Employees
Others
16%
Calgary
13%
Red Deer
6%
Peace River
1%
Lethbridge
3%
Grande Prairie
1%
Edmonton
60%

ALRB
Results Analysis

Alberta Labour Relations Board

RESULTS ANALYSIS

- Integrated Results Analysis
- Detailed Program Results Analysis and Discussion

Integrated Results Analysis for Core Business:

LABOUR RELATIONS –
ADJUDICATION, INVESTIGATIONS AND MEDIATION

IMPARTIAL APPLICATION OF ALBERTA'S LABOUR LAWS

Goal 7: The Alberta labour relations community receives timely, effective and efficient services

Section Reference: *See Results Analysis and Discuss – Goal 7 section*

PERFORMANCE MEASURES		Results	Target	Variance
7.a	Average number of days from the acceptance of an application to the date of the first hearing.	75	46	(29)

FINANCIAL RESOURCES – CORE BUSINESS FIVE (GOALS SEVEN, EIGHT & NINE)			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	2,861	*See Supplementary Ministry Information Section*
	Actual Spending	2,980	
	Variance	(119)	

INTEGRATED RESULTS ANALYSIS – CORE BUSINESS FIVE (GOAL SEVEN)
LABOUR RELATIONS – ADJUDICATION, INVESTIGATIONS AND MEDIATION

Economic pressures produced by ongoing, sector-based, collective bargaining issues will continue to impact this performance measure.

This year the Board experienced a decrease in the average number of days from the acceptance of an application to the date of the first hearing from last year's result of 78 days to the 2005/2006 figure of 75 days. This figure is still 29 days short of the Board's target of 46 days. An error in methodology identified by the Board for the 2004/2005 annual report (see page 90 of the 2004/2005 annual report, performance measure 8.a) resulted in erroneous baseline data. The Board decided not to change its targets, feeling that it might still meet the goals in 2005/2006 by strictly monitoring process file progress and introducing a process to deduct the time that all parties agree to delay hearing scheduling. As these changes did not significantly change the 2005/2006 result, the Board will be reviewing this measure and its targets for the 2007-2010 business plan.

In 2005/2006 there was a deficit of $119,000 for this core business due to government mandated salary increases.

Goal 8: Promote use of Alternative Dispute Resolution methods to solve issues before reaching formal hearings

Section Reference: *See Results Analysis and Discuss – Goal 8 section*

PERFORMANCE MEASURES		Results	Target	Variance
8.a	Percentage of applications, with Board involvement, settled before reaching a formal hearing.*	73%	55%	18%

* Certifications and Revocations are not included as they are mandated to go to hearing if applicant demonstrates sufficient statutory requirements. However, it is common for the numerous and sometimes complicated issues relating to these applications to benefit from Board settlement efforts.

INTEGRATED RESULTS ANALYSIS – CORE BUSINESS FIVE (GOAL EIGHT)
LABOUR RELATIONS – ADJUDICATION, INVESTIGATIONS AND MEDIATION

The complexity of the issues and the relationship that exists between the parties involved and their willingness to buy into the settlement process are environmental factors influencing settlement rates.

The Board exceeded its target by substantial amounts in the last two fiscal years (26% for the fiscal year 2004/2005 and 18% for 2005/2006). Possible reasons for this increase include: the demand for labour and the hot economy make it easier for parties to settle substantive or dollar issues rather than litigate, emphasis on the settlement role of Labour

Relations Officers (LROs) (reflected in LRO job descriptions and hiring criteria) and the added experience of the current crop of LROs which lends itself to increased credibility with the labour relations community.

Goal 9: Make clear and timely decisions for the parties to quickly implement the resolution

Section Reference: *See Results Analysis and Discuss – Goal 9 section*

PERFORMANCE MEASURES		Results	Target	Variance
9.a	Percentage of decisions rendered within the prescribed number of calendar days from the completion of the formal hearing(s).	62%	85%	(23%)
9.b	Percentage of decisions rendered within 180 calendar days from the completion of the hearing.	88%	100%	(12%)

INTEGRATED RESULTS ANALYSIS – CORE BUSINESS FIVE (GOAL NINE)
LABOUR RELATIONS – ADJUDICATION, INVESTIGATIONS AND MEDIATION

The complexity of the issues being dealt with and the ratio of time spent hearing matters versus the time allotted for writing are environmental factors that influence the length of time it takes to render a decision.

The high profile Lakeside Packers dispute in 2005/2006 required a great deal of additional adjudication resources which impacted a significant number of other decisions. See detailed program results.

Alberta Labour Relations Board

Detailed Program Results Analysis and Discussion

Goal 7:

What it means

The Alberta labour relations community receives timely, effective and efficient services

It is important that labour relations matters be dealt with as quickly as possible to ensure situations do not grow into larger more complicated issues. The Alberta Labour Relations Board ensures the effectiveness of the investigation process.

STRATEGY 7.1
Investigate applications in a timely and accurate manner to ensure early resolution of the investigation process.

The Board continues to book hearing dates as soon as possible once the application has been received. Labour Relations Officers and Management use reports from the Board's extensive case management system to monitor the timeliness of its processes and to re-direct resources to those files that require them.

PERFORMANCE MEASURE 7.a
Average number of days from the acceptance of an application to the date of the first hearing.

	2002/03	2003/04	2004/05	2005/06	Target
Average Number of Days	49	67	78	75	46

Source/Methodology:
The Alberta Labour Relations Board Case Management System tracks all data relating to applications and hearing dates. In this performance measure, a report has been created from the database that identifies each matter before the Board during the reporting period. It calculates the average number of calendar days for all matters from the date of the application to the first day of the first hearing.

The Board has made changes to its methodology for 2004/2005. Historical figures have been amended to reflect these changes for comparison purposes.

A procedure is in place to deduct those days where all the parties inform the Board that they wish to delay the process for legitimate reasons.

ANALYSIS OF PERFORMANCE MEASURE

This year the Board experienced a decrease in the average number of days from the acceptance of an application to the date of the first hearing from last year's result of 78 days to the 2005/2006 figure of 75 days. This figure is still 29 days short of the Board's target of 46 days. A change in methodology resulting from the identification of an error in calculating baseline data, after the 2003/2004 annual report resulted in significantly higher numbers for this measure (see page 90 of the 2004/2005 annual report, performance measure 8.a). The Board thought it could maintain the targets identified in the 2005-2008 business plan by revising the case management system reports to identify and track those

periods of time when the file is on hold at the parties' request while still tracking the time when the Board is in control of the file. Combined with a closer monitoring of files while in progress this change was expected to help the Board meet the targets identified in the business plan. This has not been the case and the Board will need to clarify and review this performance measure for the 2007-2010 business plan.

Goal 8:

Promote use of Alternative Dispute Resolution methods to solve issues before reaching formal hearings

What it means

Facilitated settlements help build effective relationships. In many applications, the Alberta Labour Relations Board works with the parties to help settle disputes before they get to hearing.

STRATEGY 8.1
Ensure that Board officials develop and maintain the proper facilitation skills required and that these techniques and skills are applied to all appropriate applications.

All Labour Relations Officers and Adjudicators continue to obtain training in the use of Alternative Dispute Resolution methods through a combination of regular academic course work and observing the methods used by the Board's senior staff. The Resolution Conference initiative continues to provide settlement opportunities for the parties using the Board's adjudicative staff.

PERFORMANCE MEASURE 8.a
Percentage of applications, with Board involvement, settled before reaching a formal hearing.

	2002/03	2003/04	2004/05	2005/06	Target
Percentage of Applications	57%	55%	79%	73%	55%

Note:
Certifications and Revocations are not included as they are mandated to go to hearing if applicant demonstrates sufficient statutory requirements. However, it is common for the numerous and sometimes complicated issues relating to these applications to benefit from Board settlement efforts.

Source/Methodology:
The Alberta Labour Relations Board Case Management System tracks all data relating to the disposition of matters. In this performance measure, a report is created from the database that identifies each matter before the Board and the type of resolution for that matter (withdrawal/informal settlement). The number of matters resolved before hearings are identified and calculated as a percentage of all matters.

ANALYSIS OF PERFORMANCE MEASURE

The Board exceeded its target by substantial amounts in the last two fiscal years (26% for the fiscal year 2004/2005 and 18% for 2005/2006). Contributing to unexpected high rates of settlement for this fiscal year are: the increased experience of the Board's Labour Relations Officer unit as a whole which provides credibility to their settlement efforts; the hot Alberta economy coupled with labour shortages which causes parties to settle rather than litigate disputes and some anomalous files in which one settlement resolved up to 60 matters (of a total of 915). The methodology has not changed from the 2001/2002 to 2003/2004 fiscal years where the Board recorded results of 55%, 57% and 55%. The Board believes that this is a short term anomaly and the decrease of 6% from 2004/2005 represents a trend back to historical settlement rates.

Goal 9:

What it means

Make clear and timely decisions for the parties to quickly implement the resolution

It is important for labour relations decisions to be well reasoned and researched, but this must be tempered by the needs of the parties to have issues resolved quickly. The Alberta Labour Relations Board balances the needs for accuracy with the effectiveness of the decision-making process and the needs of the parties.

STRATEGY 9.1
Render decisions within 90 calendar days from the completion of the hearing.

The Board adjudicators have access to case management reports that identify potentially late decisions. This allows for the adjustment of the hearing time versus writing time balance to enable them to meet the target.

STRATEGY 9.2
Render all decisions within 180 calendar days from the completion of the hearing(s).

Same as Strategy 9.1 above.

PERFORMANCE MEASURE 9.a
Percentage of decisions rendered within the prescribed number of calendar days from the completion of the hearing(s).

	2002/03	2003/04	2004/05	2005/06	Target
Percentage of Decisions	87%	71%	76%	62%	85%

Source/Methodology:
The Alberta Labour Relations Board Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the date that the decision was released. Those decisions that are completed in 90 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

ANALYSIS OF PERFORMANCE MEASURE

One contributing factor that impacted results was the high profile Lakeside Packers dispute in 2005/2006 which consumed adjudication resources and impacted the completion times of a number of non-associated decisions. The dispute ran from May 2005 and some matters remain outstanding as of 2006. At various times all of the Board's full-time adjudicators were assigned to it. Due to the volatile nature of the dispute many of the hearings were determined to be urgent matters and were given the highest priority by the Board, temporarily moving other hearings and decisions to the background. The Board believes that the 85% target is a viable one and will continue to strive to achieve that goal.

PERFORMANCE MEASURE 9.b
Percentage of decisions rendered within 180 calendar days from the completion of the hearing.

	2002/03	2003/04	2004/05	2005/06	Target
Percentage of Decisions	Not a measure	95%	95%	88%	100%

Source/Methodology:
The Alberta Labour Relations Board Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the date that the decision was released. Those decisions that are completed in 180 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

ANALYSIS OF PERFORMANCE MEASURE

The impact of the Lakeside dispute (identified in the analysis of measure 9.a) also negatively affected this measure but to a lesser degree.

Appeals Commission Results Analysis

Appeals Commission for
Alberta Workers' Compensation

RESULTS ANALYSIS

- Integrated Results Analysis
- Detailed Program Results Analysis and Discussion

Integrated Results Analysis for Core Business:

APPEAL SERVICE
FROM WORKERS' COMPENSATION DECISIONS

HEARING WORKER AND EMPLOYER APPEALS ARISING FROM WCB REVIEW BODY DECISIONS

Goal 10: Provide a timely appeal service

Section Reference: *See Results Analysis and Discussion – Goal 10 section*

PERFORMANCE MEASURES		Results	Target	Variance
10.a	Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized:			
	• Standard Appeals	216	190	(26)
	• Complex Appeals	278	242	(36)

Goal 11: Provide fair decisions on appeals

Section Reference: *See Results Analysis and Discussion – Goal 11 section*

PERFORMANCE MEASURES		Results	Target	Variance
11.a	Percentage of the total number of Appeals Commission decisions issued that are either not challenged or not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration.	98.3%	98%	0.3%

Goal 12: Provide accessible and transparent appeal services

Section Reference: *See* Results *Analysis and Discussion – Goal 12 section*

Two performance measures, "Satisfaction with accessibility of information and services" and "Satisfaction with transparency of procedures and policies used", were to be added to Goal 12 once sufficient baseline data had been collected.

The 2006-2009 Ministry of Human Resources and Employment's Business Plan reflects the Appeals Commission's effort to consolidate and focus on its primary strategies and targeted performance to achieve its primary goal.

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	8,237	*See Supplementary Ministry Information Section*
	Actual Spending	8,006	
	Variance	231	

INTEGRATED RESULTS ANALYSIS

The fair and consistent application of legislation, policy and the principles of natural justice ensures administrative practices and decisions are upheld on review. The Commission continued to work toward maintaining the quality of its decisions and fairness of process. Performance measures targets set for timelines are often affected by factors that are beyond the control of the Appeals Commission – parties who are unprepared to proceed, adjournments requested by the parties, the complexity of the appeal issues, etc. The small budget surplus resulted from certain administrative positions not being fully occupied for the fiscal year.

Appeals Commission for Alberta Workers' Compensation

Detailed Program Results Analysis and Discussion

Goal 10: Provide a timely appeal service

What it means

Appeals need to be decided within reasonable time limits giving consideration to the varying complexity of individual appeals.

STRATEGY 10.1
Establish appeal-processing mechanisms based on different streams of appeals (i.e. standard appeals and complex appeals).

The Appeals Commission established criteria for dividing appeals into two categories: standard and complex. Standard appeals are those appeals with two or less straightforward issues that require normal preparation, decision-making and decision writing. Complex appeals are those appeals that have very difficult or multiple issues (usually three or more). Complex appeals may also encompass matters with complicated medical/adjudicative and unique legal arguments. Complex appeals require extensive preparation, study, decision-making and decision writing.

STRATEGY 10.2
Ensure all parties understand their role and responsibilities in appeal processing and that their responsibilities are completed to ensure hearing readiness.

The Appeals Commission continued to work with the parties to an appeal to ensure hearing readiness and to minimize the number of requests for adjournment due to parties not being ready to proceed. The Appeals Commission website and the published guidelines and practices outline the appeals process and provide information on hearing readiness.

PERFORMANCE MEASURE 10.a
Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized.

	2004/05	2005/06	Target
Average number of days			
▪ Standard Appeals	213	216	190
▪ Complex Appeals	234	278	242

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data in a fiscal year relating to each appeal. AMS generates a report that calculates the average number of days from the date an appeal is first entered into the system until the panel issues the final decision.

The average number of days figure is calculated by subtracting the average number of days that are not in the Commission's control from the average total days from 'appeal' to 'finalize' statuses. The statuses that are not in the Commission's control are intake pending, pending, administrative adjournment, adjourned sine-die and adjourned party.

The Appeals Commission Business Rules outline the process for changing the appeal stream from Standard to Complex after the intake stage.

ANALYSIS OF PERFORMANCE MEASURE

Factors that are beyond the control of the Appeals Commission affect the time taken to process an appeal – parties who are unprepared to proceed, adjournments requested by the parties, the complexity of the appeal issues, etc. Adjournments result in wasted resources, substantial delays in the appeal being re-scheduled and significant delays for other appeals awaiting a hearing date. The practice for hearing appeals also has a significant impact on timelines. All hearings were conducted by two or three-member panels and over 80% of appeals were heard on an in-person basis.

During the 2005/2006 fiscal year, the Commission has established a number of practices which are intended to improve internal efficiencies. With the objective of eliminating unnecessary delays in processing an appeal, the Commission revised and re-issued the Practice Guidelines outlining the various steps and procedures used in filing and processing an appeal. For example, The Certificate of Readiness to Proceed form has been revised so that parties can formally certify that they are ready to proceed with the appeal, thus avoiding unnecessary adjournments. In each of the last three years the Commission has increased the overall number of hearings held, appeals finalized and decisions issued in each year.

Goal 11: Provide fair decisions on appeals

What it means

Quality and consistency of decisions and fairness of processes are indicators of the effectiveness of the appeal system and are important, as the Appeals Commission is the final level of appeal. The fair and consistent application of legislation, policy and the principles of natural justice ensures administrative practices and decisions are upheld on review.

STRATEGY 11.1
Continue to build and develop the competency base of the Appeals Commission through training and effective recruitment.

The Appeals Commission recruited new appeals commissioners through advertising positions and completing a comprehensive interview process involving our stakeholders. Hearing Chairs and Commissioners were provided with comprehensive training in decision-making, decision-writing, interpreting statutes, evidence, hearing skills and administrative justice.

PERFORMANCE MEASURE 11.a
Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration.

	2004/05	2005/06	Target
Percentage of decisions	99.5%	98.3%	98%

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data relating to each appeal. AMS generates a report that calculates the number of decisions sent back by the Courts or the Ombudsman. AMS also generates a report that calculates the number of decisions the Appeals Commission reconsiders on its Own Motion. In 2002 the *Workers' Compensation Act* was amended to include a statutory right of appeal (s.13.4) on questions of law or jurisdiction.

ANALYSIS OF PERFORMANCE MEASURE

Over 98% of Appeals Commission decisions were either not challenged or were upheld when reviewed by the Courts, the Ombudsman or reconsideration by the Commission itself. This performance measure reflects that the process was fair, thorough and produced decisions of the highest quality.

Goal 12:

Provide accessible and transparent appeal services

What it means

The rules, practices and procedures used in the appeal process by the Appeals Commission must be documented, clear and available for those who are or who may choose to participate in an appeal. The Appeals Commission works to improve understanding and readiness of the parties through education and the provision of information.

STRATEGY 12.1
Ensure accurate, informative and up to date information that is available and provided through various means including publications and the Appeals Commission Website.

The Appeals Commission website provided information on the hearing process, practice guidelines, and the various steps in processing an appeal. Copies of Appeals Commission Practice Guidelines were provided to all parties to each appeal. The Appeals Commission also published A Guide to the Appeals Commission, Code of Conduct, Rules and Procedures and reported to the Annual General Meeting.

STRATEGY 12.2
Continue the publication of Appeals Commission decisions.

The Appeals Commission continued to publish all decisions on their website in compliance with the *Freedom of Information and Protection of Privacy Act*.

PERFORMANCE MEASURES

Two performance measures, "Satisfaction with accessibility of information and services" and "Satisfaction with transparency of procedures and policies used", were to be added to Goal 12 once sufficient baseline data had been collected.

The 2006-2009 Ministry of Human Resources and Employment's Business Plan reflects the Appeals Commission's effort to consolidate and focus on its primary strategies and targeted performance to achieve its primary goal.

Future Challenges

Ministry of Human Resources and Employment

FUTURE CHALLENGES

- Department of Alberta Human Resources and Employment
- Personnel Administration Office
- Alberta Labour Relations Board
- Appeals Commission for Alberta Workers' Compensation

Department of Alberta Human Resources and Employment

Future Challenges

The Department of Alberta Human Resources and Employment (AHRE) will continue to provide programs and services that enable Alberta to maintain a vibrant and strong economy. As part of building Alberta's workforce, AHRE will foster safe and healthy work environments and assist Albertans in need.

Forecasts suggest that Alberta's unemployment rate will continue to be the lowest in the country while labour force participation remains the highest. Also, Alberta's population is aging and Alberta has recently achieved the highest level of net interprovincial migration, while immigration is on the rise. Further, it is anticipated that over the next 10 years, Alberta's economy will produce 400,000 new jobs with only 300,000 new workers entering Alberta's labour force, creating the potential for a 100,000 worker shortfall.

Within this environment, AHRE recognizes that Alberta's continued and expanding prosperity requires action to address a number of challenges:

Demand for Skilled Labour. Strong economic growth leads to increased demand for skilled labour across many sectors and Alberta continues to experience skill and labour shortages in a number of industries.

Attracting and Retaining Skilled Workers. Alberta is competing nationally and internationally to attract and retain skilled workers.

Changing Skill Requirements. Technological advancement and emerging industries require workers to upgrade or acquire new skills to remain knowledgeable, competitive and productive.

Employment Standards. Non-traditional workplace relationships between employers and employees are increasingly commonplace – more people are working part-time, on contract or in other non-traditional ways.

Workplace Health and Safety. There are greater health and safety risks when there are many new and inexperienced workers entering Alberta's labour force.

Labour Relations and Collective Bargaining. Skill shortages, technological changes and the need for increased productivity place increased pressure on the collective bargaining process.

Participation of all Albertans in the Labour Force. Participation rates of under-represented groups in the province's labour force remain lower than the provincial average.

Rising Costs. Increasing costs, particularly for housing, utilities and prescription drugs, impact the collective bargaining process and the ability of Albertans to manage their financial needs.

In response to these challenges the Department will leverage its opportunities and take specific actions:

Informing people about Alberta's labour market opportunities, employment standards and workplace issues. Information resources regarding labour market trends, careers, learning and the workplace are needed by Alberta's stakeholders to ensure successful implementation of attraction, development and retention strategies. AHRE will need to raise Albertans' and industry's awareness of labour force trends and issues and of the increasing importance of life-long learning.

Attracting new workers to Alberta's labour force and workplaces. Attracting new workers to Alberta's workplaces will be an important component of labour force development. The Department will work to increase foreign credential recognition, speed up immigration and temporary foreign worker processes, improve interprovincial labour mobility and ensure that Alberta is a destination of choice for new migrants.

Developing the skills and knowledge of Albertans and supporting high performance workplaces. Achieving future growth requires industry and government to increase the skills and knowledge of existing and potential workers. AHRE will work to increase participation of under-represented groups in training and the workforce, enhance the skills of working Albertans, develop innovative approaches to improve participation in apprenticeship and industry training, streamline regulatory systems to enhance business competitiveness and increase employers' adoption of technology and innovative practices. The Department will also work with industry, employers, labour groups and associations to build their capacity to effectively resolve workplace issues. AHRE will also continue to build upon health and safety programs and initiatives.

Retaining workers in Alberta's labour force. The Department will implement strategies to increase awareness and implementation of innovative workplace retention practices and promote improved access to flexible working arrangements. These strategies will encourage increased workforce retention of mature workers, knowledge workers and under-represented groups and ensure that Alberta's workplaces are productive, safe, fair and healthy.

Though these actions address short term issues, AHRE must also ensure that its long term capacity to respond to labour force challenges and opportunities is also developed.

Personnel Administration Office

Future Challenges

As an employer, the Government of Alberta operates in a highly competitive labour market, with changing demographics and economic trends. Ensuring a skilled and available workforce able to provide high-quality services to Albertans now and into the future presents a major challenge. To effectively position the Alberta Public Service as an employer that offers a challenging, diverse and rewarding team environment, a number of challenges must be met and opportunities realized:

Employee Engagement and Retention:
Continuous development of employees, building strong and positive workplace relationships and valuing employees helps the Alberta government to engage and retain employees.

Attracting Talent:
The Alberta Public Service needs to effectively attract talent in a competitive labour market where demand for skilled and knowledgeable workers is high.

Succession Management:
Given the changing demographics, a strong emphasis is needed to ensure employees with the skills required to achieve the government's goals will be continuously available in the future.

Workplace Health:
The Alberta Public Service strives to provide a safe, healthy and positive work environment for its employees and supports employee well-being.

Alberta Labour Relations Board

Future Challenges

In the coming 2006/2007 fiscal year the Alberta Labour Relations Board will continue to fulfill its obligations to resolve issues arising from Alberta's labour relations legislation. It will also focus on efficiencies to speed up such processes involving the scheduling of hearings and the timeliness of decisions.

Appeals Commission for Alberta Workers' Compensation

Future Challenges

The Appeals Commission for Alberta Workers' Compensation (Appeals Commission) has a continuing objective to reduce the time to process an appeal. The challenge is to achieve this within a system that has ever-increasing complexity of issues and processes while maintaining an uncompromised fairness of process and adherence to the principles of administrative justice.

Providing priority to initial appeals while addressing the workload of reconsideration requests, one-year appeal deadline extensions, appeals to the Court, Freedom of Information requests, Ombudsman inquiries, etc., is a continuing challenge.

Balancing the demands of all appeal-related activities with the demands to continue to enhance the competencies of the Appeals Commission through ongoing training and recruitment initiatives also presents an ongoing challenge.

Another continuing challenge is to find methods and resources to provide information to stakeholders – allowing them to more effectively access and use the appeal system.

Ministry Financial Information

MINISTRY FINANCIAL INFORMATION

- Financial Analysis and Discussion
- Financial Statements
- Supplementary Ministry Financial Information
- Workers' Compensation Board – Other Financial Information – Financial Statements

Ministry of Human Resources and Employment

Financial Analysis and Discussion

The following financial statements for the Ministry of Human Resources and Employment relate to the activities of the:

- Department of Alberta Human Resources and Employment
- Personnel Administration Office
- Alberta Labour Relations Board
- Appeals Commission for Alberta Workers' Compensation

Pursuant to the *Government Accountability Act*, the activities of the Workers' Compensation Board – Alberta (WCB) are not included in the financial statements of the Ministry of Human Resources and Employment. The WCB's activities are reported separately. The audited financial statements and a brief analysis of financial results are included in this Ministry annual report.

Financial Information
Financial Results and Performance

Accountability

Financial results of the Ministry of Human Resources and Employment for the year ended March 31, 2006, include the activities of the Personnel Administration Office, the Alberta Labour Relations Board, Workers' Compensation Appeals and the Department of Alberta Human Resources and Employment. More detail and information can be found in the Ministry's financial statements included in the Annual Report.

(In thousands)

	2006				2005
	Original Budget	Authorized Supplementary	Authorized Budget	Actual	Actual
Revenue					
Transfers from Government of Canada	$ 217,113	$ 1,860 (b)	$ 218,973	$ 209,326	$ 214,019
Internal Government Transfers	11,769	-	11,769	11,769	20,233
Premiums, Fees and Licences	300	-	300	313	327
Other Revenue	23,687	-	23,687	26,383	25,228
	252,869	1,860	254,729	247,791	259,807
Expenses					
Voted:					
Ministry Support Services	26,727	-	26,727	26,600	24,881
People Investments	410,354	11,850 (a)	422,204	422,962	420,530
Skills Investments	288,119	(3,890) (a)(b)	284,229	277,159	268,259
Workplace Investments	25,694	-	25,694	26,540	24,377
Labour Relations and Adjudication	2,861	-	2,861	2,980	2,797
Personnel Administration Office	12,901	-	12,901	12,613	8,610
Workers' Compensation Appeals	8,237	-	8,237	8,006	6,912
Program Operating Expense	774,893	7,960	782,853	776,860	756,366
Program Capital Investment	3,798	-	3,798	3,485	2,586
Total Expenses and Capital Investments	778,691	7,960	786,651	780,345	758,952
Statutory Expenses					
Valuation Adjustments	2,659	-	2,659	2,761	1,988
	781,350	7,960	789,310	783,106	760,940
Net Operating and Capital Results	**$(528,481)**	**$ (6,100)**	**$(534,581)**	**$(535,315)**	**$(501,133)**

(a) A Supplementary Estimate was approved to provide $6,100 toward the estimated $11,850 cost to the Department of a settlement of the Income Supports Class Action Lawsuit. The department will reallocate the remaining $5,750 from lapses in the Skills Investment programs.

(b) Dedicated Revenues were approved as follows:
- Treasury Board Minute No.37/2005, dated October 25, 2005, approves recovery of $1,860 for defraying costs of administering the Canadian Agricultural Skills Services (CASS) program in conjunction with the Ministry of Agriculture and Agri-Food Canada (AAFC).

Discussion of Financial Results/Performance

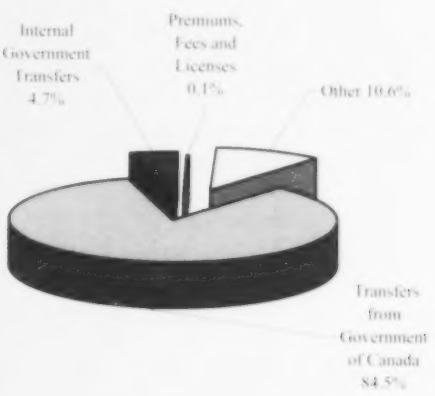
Results of Operations

The Ministry of Human Resources and Employment balanced its 2005-06 authorized budget. As reported in the 2005-06 Government of Alberta Annual Report, the Ministry ended the year spending $6.3 million less than the authorized budget of $786.7 million.

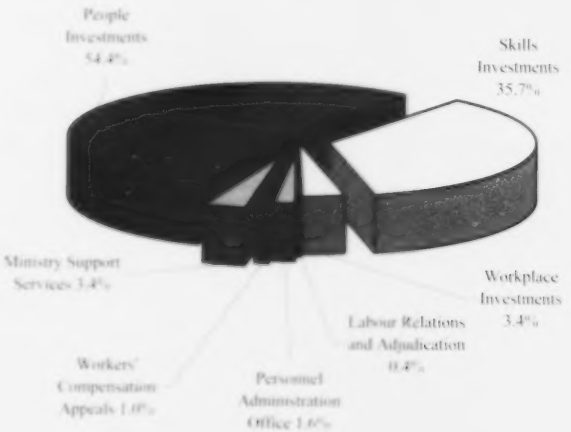
Revenues

The ministry's 2005-06 revenues were $247.8 million, approximately $12.0 million lower than the previous year. This reflects a combination of decreased transfers from the Government of Canada for the Canada Social Transfer representing block funding for provincial "social service" programs, and reduced funding from the Lottery Fund targeted to support public and community-based initiatives for Disability Related Employment, Summer Temporary Employment Programs and Immigrant Support Services. Increased funding was received from the Workers' Compensation Board to fund the Appeals Commission for Alberta Workers' Compensation.

Source of Actual Revenue - $248 million



Actual Operating Expenses by Program - $777 million



Expenses

The ministry's annual spending increased $20.5 million from 2004-05. The increased spending was targeted towards immigrant support services, language training programs, workplace health and the safety initiatives and Government of Alberta employee development, engagement and mobility initiatives.

Program Comparison of 2005-06 Authorized Budget to Actuals

The following provides explanations of the major program variances:

People Investments – The program supports Albertans by providing health benefits, child support services and financial assistance to help Albertans improve their skills and employability, and be as independent as possible. This continued focus on helping Albertans meet their basic needs and be as independent as possible resulted in an over expenditure of $0.6 million.

- **Income Supports** – Funds are invested to provide benefits to individuals and their families when earnings are insufficient to provide for basic necessities, if they are temporarily unavailable for employment or training programs, or they are unable to work due to persistent health problems or multiple barriers to employment. This area experienced an under expenditure of $3.0 million due to decreased caseloads, which was partially offset by increases in non-medical costs such as utility hook-ups and reconnections, and other additional supplementary benefits.

- **Health Benefits** – Funds are invested in providing premium free coverage for child and adult health benefits for children in low-income families who apply for the benefit and to former Expected to Work parents and Not Expected to Work Income Support clients who leave the program for employment. Clients who leave the Assured Income for the Severely Handicapped program for employment or receive Canada Pension Plan Disability are also eligible. Caseloads in this area have continued to increase, partially due to our success in moving individuals and families to training and employment. This, combined with increased drug prices and contracted medical processing fees, resulted in an over expenditure of $3.2 million.

Skills Investments – The program supports Albertans to continue to acquire the knowledge and skills they need to identify and participate in future opportunities and to be self-reliant and contributing members of society. Lower numbers of people accessing many of the programs resulted in an under expenditure of $7.1 million in this area.

- **Career Information** – An increase in job placement services and youth connection services was partially offset by decreased utilization of career and employment assistance services and labour market information to Albertans, resulting in an over expenditure of $2.9 million.

- **Income Support for Learners** – A robust economy that encouraged people to work rather than take training, led to a spending reduction of $0.1 million in learner living allowances and medical benefits for learners attending approved tuition-based programs.

- **Work Foundations** – A reduction in learner enrolments in academic upgrading, likely due to the favourable economic conditions in Alberta, resulted in lower expenditures of $3.3 million.

- **Training for Work** – Similar to other employment training programs, decreased enrolments in occupational, apprenticeship, self employment training, First Nations training, and disability related programs, resulted in an under expenditure of $8.7 million.

- **Program Support** – An additional $2.7 million was incurred for negotiated staff salary settlement costs and increases in the costs of materials, supplies and services.

Workplace Investments – Promoting fair, safe, healthy and productive workplaces through developing positive labour-management relationships, regulating employment standards and practices, and communicating with employers and employees. This continuing focus resulted in an over expenditure of $0.8 million.

- **Workplace Health and Safety** – Increased delivery costs attributed to negotiated staff salary settlement costs and increases in the costs of material and supplies services resulted in an over expenditure of $0.7 million.

Capital Investments – Delayed system projects across the Ministry (Learner Benefits, Strategic Reporting Priorities, Enterprise Data Integration & Enterprise Components and Financial Transaction Manager) resulted in $0.3 million under expenditure.

Statutory Expenses – Are valuation adjustments, such as provision for doubtful accounts, vacation pay liability, provision for reduction of investments to market, and obligations under guarantees that do not represent payments of public money.

- The provision for vacation pay had an increased adjustment of $0.1 million due to a higher than budgeted accrued vacation pay liability.

Ministry Core Business

Core Business (in thousands)	2005-2006 Original Budget [1]	2005-2006 Actuals	2004-2005 Actuals (comparable)
People Investments	425,523	439,522	435,671
Skills Investments	298,753	287,304	277,618
Workplace Investments	26,642	27,512	25,227
Human Resources Management	15,536	14,297	10,129
Labour Relations – Adjudication	1,545	1,609	1,510
Labour Relations – Investigations/Medications	1,316	1,371	1,287
Workers' Compensation Appeals	8,237	8,006	6,912
Total Ministry Core Business Expense	**777,552**	**779,621**	**758,354**

(1) Authorized Supplementary is not included in the Core Business Original Budget

Comparison of 2005/2006 Budget to 2005/2006 Actuals by Core Business

- People Investments was $14.0 million higher than budget due to higher income supports costs related to settlement of the Roth Fifield Class-action Lawsuit and a higher than anticipated medical cost per case. In addition, the provision for vacation pay had an increased adjustment of $1.1 million due to a higher than budgeted accrued vacation pay liability.

- Skills Investments expenses were approximately $11.5 million less than budgeted, resulting from a robust economy in which Albertans chose to work rather than enroll in English as a Second Language, upgrading, basic skills training, integrated or occupational training programs.

- Workplace Investments spent $0.9 million more than the budget due to increased costs associated with the highly successful Work Safe Alberta program, and higher than anticipated support and delivery costs required for increased worksite inspections.

- Higher then anticipated investment returns on the Government of Alberta's LTDI plans resulted in lower then budget expenses related to Human Resource Management.

Comparison of 2005/2006 Budget to 2005/2006 Actuals by Core Business (cont'd)

- Actual combined spending on Labour Relations activities was $0.1 million more than budgeted. The slight over expenditure was due to negotiated staff salary settlement costs, partially offset by a decrease in the costs of material and supplies services.
- Workers' Compensation Appeals costs were $0.2 million less than budgeted due to staff vacancies.

Comparison of 2005-06 Actuals to 2004-05 Comparable Actuals by Core Business

- The increase of $3.9 million in the People Investments core business was due to $11.9 million related to settlement of the Roth/Fifield Class-action Lawsuit, which was partially offset by a reduction in Income Support and Widows' Pension caseloads.
- Spending in Skills Investments increased by $9.7 million due to higher than anticipated demand for Job Placement, Career and Employment Assistance Services, Enhanced Language Training, Increased Learner Medical Benefit costs and higher than anticipated support and delivery costs.
- Increased actual expenses in Workplace Investments of $2.3 million was due to the Employment Standards Code Review, salary settlements, filling of vacant positions and increased costs associated with Workplace Health and Safety promotional materials.
- An increase in Human Resources Management expenditures of $4.2 million is related to the new Corporate Executive Mobility program, initiatives that support employee engagement and an increase in the provision for vacation pay liability.
- Actual expenses for Labour Relations increased by $0.2 million as a result of negotiated staff salary settlement costs.
- An increase in expenses of $1.1 million for Workers' Compensation Appeals was a result of increased salary costs due to salary settlements and increased staffing to address appeal workload.

Ministry of Human Resources and Employment

Financial Statements

For the year ended March 31, 2006

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AUDITOR GENERAL
Alberta

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Human Resources and Employment (the Ministry) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

FCA
Auditor General

Edmonton, Alberta
May 19, 2006

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
STATEMENT OF OPERATIONS
For the year ended March 31, 2006

(in thousands)

	2006		2005
	Budget (Schedule 4)	Actual	Actual
Revenue (Schedules 1 and 2)			
Transfers from Government of Canada	$ 217,113	$ 209,326	$ 214,019
Internal Government Transfers	11,769	11,769	20,233
Fees, Permits and Licences	300	313	327
Other Revenue	23,687	26,383	25,228
	252,869	247,791	259,807
Expenses Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	26,727	26,600	24,881
People Investments	410,354	422,962	420,530
Skills Investments	288,119	277,159	268,259
Workplace Investments	25,694	26,540	24,377
Labour Relations and Adjudication	2,861	2,980	2,797
Personnel Administration Office	12,901	12,613	8,610
Workers' Compensation Appeals	8,237	8,006	6,912
	774,893	776,860	756,366
Statutory			
Valuation adjustments (Note 5)			
Provision for Doubtful Accounts, Vacation Pay and Employers Portion of the Long Term Disability Income Continuance Plan Liability	2,659	2,761	1,988
	777,552	779,621	758,354
Net Operating Results	$ (524,683)	$ (531,830)	$ (498,547)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
STATEMENT OF FINANCIAL POSITION
As at March 31, 2006

(in thousands)

	2006	2005
Assets		
Cash	$ 404	$ 290
Accounts Receivable (Note 3)	4,063	3,340
Advances (Note 4)	5,001	5,022
Tangible Capital Assets (Note 6)	9,780	8,812
	$ 19,248	$ 17,464
Liabilities		
Accounts Payable and Accrued Liabilities	$ 78,585	$ 65,757
	$ 78,585	$ 65,757
Net Liabilities		
Net Liabilities at Beginning of Year	$ (48,293)	$ (19,750)
Net Operating Results	(531,830)	(498,547)
Net Transfers from General Revenues	520,786	470,004
Net Liabilities at End of Year	$ (59,337)	$ (48,293)
	$ 19,248	$ 17,464

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
STATEMENT OF CASH FLOWS
For the year March 31, 2006

	(in thousands) 2006	2005
Operating Transactions		
Net Operating Results	$ (531,830)	$ (498,547)
Non-cash items included in Net Operating Results		
Amortization (Schedule 3)	2,299	2,650
Valuation Adjustments	2,761	1,988
	(526,770)	(493,909)
(Increase) Decrease in Accounts Receivable [a]	(744)	12,785
Decrease in Advances	21	9
Increase in Accounts Payable [a]	10,089	13,876
Decrease in Unamortized Deferred Capital Contribution	-	(67)
Cash Applied to Operating Transactions	(517,404)	(467,306)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(3,485)	(2,586)
Transfer of Tangible Capital Assets to Other Ministries (Schedule 7)	217	-
Cash Applied to Capital Transactions	(3,268)	(2,586)
Financing Transactions		
Net Transfer from General Revenues	520,786	470,004
Increase in Cash	114	112
Cash, Beginning of Year	290	178
Cash, End of Year	$ 404	$ 290

[a] Adjusted for valuation adjustments (Note 5).

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
NOTES TO THE MINISTRY FINANCIAL STATEMENTS
For the year ended March 31, 2006

NOTE 1 Authority and Purpose

The Ministry of Human Resources and Employment operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The Ministry of Human Resources and Employment contributes to the Alberta Advantage by working with partners to:

- Assist Albertans to reach their full potential in society and the economy,
- Foster safe, fair, productive and innovative workplaces,
- Support those in need, and
- Provide strategic direction and services for human resource management in the Alberta public service.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all Ministries.

(a) Reporting Entity

The reporting entity is the Ministry of Human Resources and Employment, for which the Minister of Human Resources and Employment is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of the Ministry are deposited into the Fund and all cash disbursements made by the Ministry are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting.

Internal Government transfers are transfers between entities within the Government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses of the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, and long-term disability.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Assets (Liabilities)

Net assets (liabilities) represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

Measurement Uncertainty

Measurement uncertainty exists when there is a significant variance between the amount recognized and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Included in Accounts Payable and Accrued Liabilities is an estimate of the eventual settlement resulting from a class action lawsuit in the amount of $9.3 million, which is subject to measurement uncertainty. Depending of the actual number and type of claims filed, the actual amount of the settlement could differ from that estimated.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their book values.

NOTE 3 Accounts Receivable

(in thousands)

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$ 3,999	$ 165	$ 3,834	$ 3,111
Refunds from suppliers	229	-	229	229
	$ 4,228	$ 165	$ 4,063	$ 3,340

Accounts receivable are unsecured and non-interest bearing.

NOTE 4 Advances
(in thousands)

	2006	2005
Travel advances	$ 1	$ 22
Program advances	5,000	5,000
	$ 5,001	$ 5,022

Travel advances are provided to Ministry employees to cover the cost of business travel. Program advances are for emergent benefits for clients.

NOTE 5 Valuation Adjustments
(in thousands)

	2006	2005
Provision for doubtful accounts	$ 21	$ 11
Provision for vacation pay	1,290	458
Provision for the Government of Alberta's share of the Long Term Disability Income continuance plans liability [1]	1,450	1,519
	$ 2,761	$ 1,988

[1] The Provision represents the change in liabilities in the year in the amount of $1,450. The accrued benefit liability for the two multi-employer Long-Term Disability Income continuance plans at March 31, 2006 amounted to $10,182 (Note 10) and is included in accounts payable and accrued liabilities.

NOTE 6 Tangible Capital Assets
(in thousands)

	2006			2005
	Estimated Useful life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment [1]	3-5 Years	$ 721	$ 605	$ 116	$ -
Systems Development and Enhancements	5-7 Years	28,009	18,345	9,664	8,812
		$ 28,730	$ 18,950	$ 9,780	$ 8,812

[1] Equipment includes vehicles.

NOTE 7 Contractual Obligations
(in thousands)

At March 31, 2006, the Ministry has the following contractual obligations:

	2006	2005
Service Contracts	$ 24,590	$ 12,145
Long-Term Leases [a]	1,703	1,427
	$ 26,293	$ 13,572

[a] The Ministry leases certain vehicles under operating lease agreements that expire on various dates to 2010. It is the Ministry's intention to maintain fleet inventory at present levels. The aggregate amount payable for the unexpired terms of these leases are as follows:

2007	$ 821
2008	553
2009	293
2010	36
	$ 1,703

NOTE 8 Contingent Liabilities

At March 31, 2006, the Ministry is a defendant in eight legal claims (2005 – nine legal claims). These claims have specified amounts totaling $13.5 million (2005 - $14.3 million). Seven claims amounting to $13.5 million are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

NOTE 9 Funds Under Administration
(in thousands)

The Ministry administers funds which are managed for the purpose of various trusts and employee benefit plans. These amounts have not been recorded in the Ministry's Financial Statements. As at March 31, 2006, funds under administration were as follows:

	2006			2005
	Total Assets	Total Liabilities	Net Assets (Liabilities)	Net Assets (Liabilities)
Long-Term Disability Income Continuance Plans:				
Bargaining Unit [1]	$ 112,972	$ 121,671	$ (8,699)	$ (11,817)
Management, Opted Out and Excluded [1]	34,141	25,832	8,309	3,208
Group Life Insurance Plans:				
Bargaining Unit [2]	41,066	22,454	18,612	16,159
Management, Opted Out and Excluded [2]	16,022	13,200	2,822	2,944
Government of Alberta Dental Plan Trust [3]	6,081	1,070	5,011	3,817
Government Employees' Group Extended Medical Benefits Plan Trust [3]	3,348	2,366	982	1,260
Employment Standards Trust Fund	295	-	295	206
	$ 213,925	$ 186,593	$ 27,332	$ 15,777

[1] Financial Statements of these funds can be found in the Supplementary Ministry Financial Information section of the Ministry of Human Resources and Employment 2005/06 Annual Report.
[2] This Group Life Insurance Plan is inclusive of Basic Group Life, Accidental Death and Dismemberment, Dependent Life, Enhanced Life and Retiree Life Insurance coverage.
[3] Trusts have a year ending December 31st.

NOTE 10 Defined Benefits Plans
(in thousands)

Multi-Employer Pension Plans

The Ministry participates in the following multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $9,930 for the year ending March 31, 2006 (2005 – $8,419).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of $165,895 (2004 – $268,101) and the Public Service Pension Plan reported a deficiency of $187,704 (2004 – $450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had a surplus of $10,018 (2004 – $9,404).

Long-Term Disability Income Continuance Plan

The Ministry also administers two multi-employer Long-Term Disability Income continuance plans on behalf of the Government of Alberta. These plans are defined benefit plans to which participating employers contribute on a defined contribution basis.

For the Bargaining Unit plan, the employers contribute at a rate of 1.55% of monthly insurable salary. At March 31, 2006, the Bargaining Unit plan reported an actuarial deficiency of $8,699 (2005 – $11,817). Long-term disability benefits are funded equally by the employers

and employees in this plan. For the Management, Opted Out and Excluded plan, the employers contribute at a rate of 1.7% of monthly insurable salary. At March 31, 2006, the Management, Opted Out and Excluded plan reported an actuarial surplus of $8,309 (2005 – $3,208). Long-term disability benefits are funded by the employers in this plan.

At March 31, 2006, the Government of Alberta's share of the estimated accrued benefit liability for these two plans amounting to $10,182 has been recognized in these financial statements (Note 5). This amount is actuarially determined as the cost of employee benefits earned net of employers' contributions, interest expense on the accrued benefit obligation, expected return on the plan assets and amortization of deferred amounts using management's best estimates and actuarial assumptions. The Ministry, together with other participating ministries, records their share of employer contributions as expenses in their respective financial statements.

Group Life Insurance Plans

The Ministry also administers two multi-employer Group Life Insurance plans on behalf of the Government of Alberta. These plans are defined benefit plans to which participating employers contribute on a defined contribution basis.

The Basic Group Life Insurance and Accidental Death and Dismemberment insurance is funded two thirds by the employers and one third by the employees for the Bargaining Unit plan and the Management, Opted Out and Excluded plan. The Retiree Life Insurance is funded by the Basic Group Life premiums. All additional coverage is optional and funded by the employees for both plans.

At March 31, 2006, the Bargaining Unit plan reported an estimated surplus amounting to $18,612 (2005 – $16,159) and the Management, Opted Out and Excluded plan reported an estimated surplus of $2,822 (2005 – $2,944). These amounts currently subsidize claim costs and stabilize premium rates for the plans. Management produced estimates based on available March 2005 data, which was reviewed by the actuary for reasonableness. The Ministry, together with other participating ministries, record their share of employer contributions as expenses in their respective financial statements.

Dental and Extended Medical Plan Trusts

The Boards of Trustees administer the multi-employer Dental and Extended Medical Plan Trusts on behalf of the employees of Government of Alberta. These plans are defined benefit plans to which participating employers contribute on a defined contribution basis.

Premium rates are recommended by the Trustees to the Government of Alberta. All additional coverage for the Management, Opted out and Excluded Plans is optional and funded by the employees.

At December 31, 2005, the Government of Alberta Dental plan reported an actuarial surplus of $5,010 (2004 – $3,817) and the Government Employees' Group Extended Medical Benefits plan reported an actuarial surplus of $982 (2004 – $1,260). The Trusts receive contributions from participating employers who are responsible for withholding of employee contributions and their remittance to the trust on a monthly basis along with the employers' contributions. The Ministry, together with the participating ministries, record their share of employer contributions as expenses in their respective financial statements.

NOTE 11 Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 12 Approval of Financial Statements

These financial statements were approved by the Deputy Minister, the Public Service Commissioner and the Chief Financial Officer.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 1

Revenues
For the year ended March 31, 2006

(in thousands)

	2006		2005
	Budget	Actual	Actual
Transfers from the Government of Canada			
Canada Social Transfer	$ 72,812	$ 63,652	$ 68,708
Labour Market Development Agreement Benefits	118,786	119,209	119,779
Rehabilitation of Disabled Persons	25,190	25,190	25,191
Canadian Agriculture Skills Services	-	925	-
Services to On-Reserve Status Indians	325	350	341
	217,113	209,326	214,019
Internal Government Transfers			
Transfer from Lottery Fund	11,769	11,769	20,233
Fees, Permits and Licences			
Various	300	313	327
	12,069	12,082	20,560
Other Revenue			
Refunds of Previous Year Expenditures	3,100	8,604	5,991
Workers' Compensation Appeals	8,437	8,006	6,970
Occupational Health and Safety Transfer	12,100	9,600	12,100
Other	50	173	167
	23,687	26,383	25,228
	$ 252,869	$ 247,791	$ 259,807

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 2

Dedicated Revenue Initiatives

For the year ended March 31, 2006

(in thousands)

	2006		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	Excess (Shortfall)
Expenses by Program			
Labour Market Development Agreement [a]			
Benefits and Measures	$ 109,691	$ 109,691	$ -
Program Support	9,095	9,518	423
Workplace Health and Safety [b]			
Regional Services	12,100	9,600	(2,500)
Canadian Agricultural Skills Service [c]	1,860	925	(935)
Total Dedicated Revenue	$ 132,746	$ 129,734	$ (3,012)

The revenue and expense related to the dedicated revenue initiatives are included in the Ministry's revenue and expense in the statement of operations.

[a] Labour Market Development Agreement Benefits and Measures and Program Support dedicated revenue initiatives allow the costs associated with programs under the Labour Market Development Agreement to be fully offset with revenues collected from the Government of Canada.

[b] Workplace Health and Safety Regional Services dedicated revenue, under the agreement with the Workers' Compensation Board, is for the purpose of defraying part of the costs of administering the Occupational Health and Safety Act.

[c] Treasury Board Minute No. 37/2005, dated October 25, 2005, approved recovery of $1,860 for defraying costs of administering the Canadian Agricultural Skills Services program in conjunction with the Ministry of Agriculture, Food and Rural Development and Agr-Food Canada.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 3

Expense Directly Incurred - Detailed by Object
For the year ended March 31, 2006

(in thousands)

	2006 Budget	2006 Actual	2005 Actual
Voted			
Salaries, Wages and Employee Benefits	$ 133,778	$ 136,656	$ 125,659
Supplies and Services	135,330	131,803	129,322
Supplies and Services from Shared Service Support Arrangements with Related Parties [a]	3,292	2,508	3,302
Grants	500,600	504,780	496,480
Financial Transactions and Other	52	79	100
Amortization of Tangible Capital Assets	2,893	2,299	2,650
Total Voted Expenses Before Recoveries	$ 775,945	$ 778,125	$ 757,513
Less Recovery from Shared Service Support Arrangements with Related Parties [b]	(1,052)	(1,265)	(1,147)
	$ 774,893	$ 776,860	$ 756,366
Statutory			
Valuation Adjustments (Note 5) Provision for Doubtful Accounts, Vacation Pay and Employers Portion of the Long Term Disability Income Continuance Plan Liability	$ 2,659	$ 2,761	$ 1,988

[a] The Ministry purchases financial and administrative support services from the Ministries of Education, Advanced Education, Justice and Seniors and Community Supports.

[b] The Ministry provides human resources, information technology, financial and other administrative support services to the Ministries of Children's Services, Advanced Education, and Seniors and Community Supports. Costs incurred for these services are recovered from these ministries.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 4

Budget
For the year ended March 31, 2006

(in thousands)

	2005-2006 Estimates[a]	Adjustment[b]	2005-2006 Budget	Authorized Supplementary[c][d]	2005-2006 Authorized Budget
Revenue					
Transfer from the Government of Canada[c]	$ 217,113		$ 217,113	$ 1,860	$ 218,973
Internal Government Transfers[a]	11,769		11,769		11,769
Fees, Permits and Licences	300		300		300
Other Revenue[c]	23,687		23,687		23,687
	252,869	-	252,869	1,860	254,729
Expenses - Directly Incurred:					
Voted Expenses					
Ministry Support Services	26,727		26,727		26,727
People Investments[c]	410,354		410,354	11,850	422,204
Skills Investments[c]	288,119		288,119	(3,890)	284,229
Workplace Investments[c]	25,694		25,694		25,694
Labour Relations and Adjudication	2,861		2,861		2,861
Personnel Administration Office	12,901		12,901		12,901
Workers' Compensation Appeals	8,237		8,237		8,237
Dedicated Revenue Shortfall (Schedule 2)		(3,012)	(3,012)		(3,012)
	774,893	(3,012)	771,881	7,960	779,841
Statutory Expenses					
Valuation Adjustments					
Provision for Doubtful Accounts, Vacation Pay and Other Provisions	2,659		2,659		$ 2,659
	777,552	(3,012)	774,540	7,960	782,500
Net Operating Results	$ (524,683)	3,012	$ (521,671)	(6,100)	$ (527,771)
Capital Investment	$ 3,798	-	-	-	$ 3,798

[a] Government and Lottery Fund estimates were approved on June 2, 2005.

[b] Adjustment relates to dedicated revenue shortfall (Schedule 2).

[c] A Supplementary Estimate was approved to provide $6,100 towards the estimated $11,850 cost to the Department of a settlement of the Income Supports Class Action Lawsuit. The department to reallocate the remaining $5,750 from lapses in the Skills Investments programs.

[d] Dedicated Revenues approved for the year ended March 31, 2006 are as follows:
- Treasury Board Minute No. 37/2005, dated October 25, 2005, approves recovery of $1,860 for defraying costs of administering the Canadian Agricultural Skills Services program in conjunction with the Ministry of Agriculture, Food and Rural Development and Agr-Food Canada.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 5

Comparison of Expenses - Directly Incurred and Capital Investments by Element to Authorized Budget
For the year ended March 31, 2006

(in thousands)

	2005-2006 Estimate	Adjustment (a)	Authorized Supplementary (Direct)	2005-2006 Authorized Budget	2005-2006 Actual (d)	Unexpended (Over Expended)
Voted Expenses and Capital Investments						
Program 1 - Ministry Support Services						
1.0.1 Minister's Office	$ 392			$ 392	$ 390	$ 2
1.0.2 Deputy Minister's Office	519			519	516	3
1.0.3 Strategic Services	5,702			5,702	5,666	36
1.0.4 Delivery Services	2,617			2,617	2,917	(300)
1.0.5 Corporate Services Office	329			329	324	5
1.0.6 Information Technology Management						
Operating Expense	6,092			6,092	6,033	59
Capital Investment	578			578	506	72
1.0.7 Human Resource Services	5,213			5,213	5,164	49
1.0.8 Finance Services	4,731			4,731	4,417	314
1.0.9 Freedom of Information and Privacy	574			574	617	(43)
1.0.10 Communications	558			558	556	2
	27,305	-	-	27,305	27,106	199
Program 2 - People Investments						
2.1.1 Program Support						
Operating Expense	30,835		2,500	33,335	29,951	3,384
Capital Investment	1,035			1,035	962	73
2.2.1 Program Delivery	38,693			38,693	42,932	(4,239)
2.2.2 People Expected to Work	106,525			106,525	105,295	1,230
2.2.3 People Not Expected to Work	99,754		9,350	109,104	112,009	(2,905)
2.2.4 People Working - Supplement to Earnings	31,086			31,086	26,460	4,626
2.2.5 Widows' Pension	6,246			6,246	5,942	304
2.3.1 Program Delivery - Health Benefit	2,671			2,671	2,544	127
2.3.2 Alberta Child Health Benefit	23,720			23,720	24,226	(506)
2.3.3 Alberta Adult Health Benefit	8,869			8,869	7,195	1,674
2.3.4 People Expected to Work - Health Benefit	19,093			19,093	19,166	(73)
2.3.5 People Not Expected to Work - Health Benefit	33,980			33,980	38,939	(4,959)
2.3.6 People Working - Supplement to Earnings	4,705			4,705	4,145	560
2.4.1 Child Support Services	4,177			4,177	4,159	18
	411,389	-	11,850	423,239	423,925	(686)
Program 3 - Skills Investments						
3.1.1 Program Support						
Operating Expense	34,573		400	34,973	37,651	(2,678)
Capital Investment	1,985			1,985	1,825	160
3.2.1 Career Development Services						
Operating Expense	37,932			37,932	39,809	(1,877)
Capital Investment	-			-	142	(142)
3.2.2 Youth Connections	4,767			4,767	5,773	(1,006)
3.3.1 Living Allowance for Learners	79,929			79,929	80,054	(125)
3.4.1 Basic Skills and Academic Upgrading	35,577		(2,000)	33,577	30,302	3,275
3.5.1 Job Skills Training						
Operating Expense	62,736		(2,290)	60,446	55,196	5,250
Capital Investment	-			-	49	(49)
3.5.2 Self Employment Training	5,612			5,612	3,885	1,727
3.5.3 Disability Related Employment Supports	11,238			11,238	9,971	1,267
3.5.4 Summer Temporary Employment Program	8,195			8,195	7,211	984
3.5.5 Immigrant Support Services	4,574			4,574	5,097	(523)
3.6.1 Labour Market Partnerships	2,986			2,986	2,210	776
	290,104	-	(3,890)	286,214	279,175	7,039

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 5
(continued)

Comparison of Expenses - Directly Incurred and Capital Investments by Element to Authorized Budget
For the year ended March 31, 2006

(in thousands)

	2005-2006 Estimate	Adjustment [a]	Authorized Supplementary [b]	2005-2006 Authorized Budget	2005-2006 Actual [c][d]	Unexpended (Over Expended)
Program 4 - Workplace Investments						
4.1.1 Program Support	1,429			1,429	1,668	(239)
4.2.1 Mediation	777			777	721	56
4.2.2 Labour Relations Policy and Facilitation	838			838	869	(31)
4.2.3 Professions and Occupations	631			631	649	(18)
4.3.1 Legislation, Policy and Technical Support	5,092			5,092	5,612	(520)
4.3.2 Partnerships	1,221			1,221	1,175	46
4.3.3 Regional Services	10,209			10,209	10,017	192
4.4.1 Legislation, Policy and Technical Support	667			667	856	(189)
4.4.2 Regional Services	4,830			4,830	4,973	(143)
	25,694	-	-	25,694	26,540	(846)
Program 5 - Labour Relations and Adjudication						
5.0.1 Labour Relations Board	2,861			2,861	2,980	(119)
	2,861	-	-	2,861	2,980	(119)
Program 6 - Personnel Administration Office						
6.1.1 Public Service Commissioner's Office	510			510	542	(32)
6.1.2 Corporate Human Resource Services	7,492			7,492	7,021	471
6.1.3 Information Management Services	1,949			1,949	2,258	(309)
6.2.1 Research and Development	2,950			2,950	2,792	158
	12,901	-	-	12,901	12,613	288
Program 7 - Workers' Compensation Appeals						
7.0.1 Appeals Commission for Alberta Workers' Compensation						
Operating Expense	8,237			8,237	8,006	231
Capital Investment	200			200	-	200
	8,437	-	-	8,437	8,006	431
Dedicated Revenue Shortfall [a][e]	-	(3,012)	-	(3,012)	-	(3,012)
Total Voted Expenses and Capital Investments	$ 778,691	(3,012) $	7,960 $	783,639 $	780,345 $	3,294
Program Operating Expense	774,893	(3,012) $	7,960	779,841	776,860	2,981
Program Capital Investment	3,798			3,798	3,485	313
	$ 778,691	(3,012) $	7,960 $	783,639 $	780,345 $	3,294
Statutory Expenses						
Valuation Adjustments	2,659			2,659	2,761	(102)
Total Statutory Expenses	$ 2,659	- $	- $	2,659 $	2,761	(102)

[a] Adjustment relates to dedicated revenue shortfall (Schedule 2).

[b] A Supplementary Estimate was approved to provide $6,100 towards the estimated $11,850 cost to the Department of a settlement of the Income Supports Class Action Lawsuit. The department will reallocate the remaining $5,750 from lapses in the Skills Investments programs.

[e] Dedicated Revenues approved for the year ended March 31, 2006 are as follows:
- Treasury Board Minute No. 37/2005, dated October 25, 2005, approves recovery of $1,860 for defraying costs of administering the Canadian Agricultural Skills Services program in conjunction with Ministry of Agriculture and Agri-Food Canada.

[d] Includes achievement bonus of $3,204.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE

Schedule 6 (a)

DEPARTMENT OF HUMAN RESOURCES AND EMPLOYMENT

For the year ended March 31, 2006

	2006				2005
	Base Salary [1]	Other Cash Benefits [2]	Other Non-cash Benefits [3]	Total	Total
Senior Official					
Deputy Minister [4]	$ 187,989	$ 46,000	$ 38,768	$ 272,757	$ 217,999
Executives					
Assistant Deputy Ministers					
Delivery Services	148,604	23,871	32,687	205,162	166,641
People and Skills Investments	145,662	20,431	31,788	197,881	171,720
Workplace Investments [5]	146,866	19,296	14,677	180,839	144,182
Corporate Services	148,584	27,445	32,667	208,696	181,231
Strategic Services	131,378	19,873	28,779	180,030	157,626

Prepared in accordance with Treasury Board Directive 03/2004.

[1] Base salary includes regular base pay.

[2] Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

[3] Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

[4] Automobile provided, no dollar amount included in benefits and allowances figures.

[5] Salary included pay in lieu of benefits from April 2005 to November 2005.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE

Schedule 6 (b)

PERSONNEL ADMINISTRATION OFFICE

For the year ended March 31, 2006

	2006				2005
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Official					
Public Service Commissioner[4]	$ 189,475	$ 44,000	$ 39,088	$ 272,563	$ 217,567
Executives					
Assistant Commissioner – Human Resource Policy and Consulting	141,896	16,748	31,338	189,982	166,778
Assistant Commissioner – Corporate Human Resource Development	136,860	22,756	30,273	189,889	151,443
Assistant Commissioner – Employee Engagement[5]	136,510	20,469	30,801	187,780	-
Director- Corporate Services and Chief Information Officer	95,896	11,051	21,991	128,938	124,716
Director -Executive Search	102,240	16,387	23,669	142,296	126,520
Manager - Human Resources[6]	64,298	5,984	16,357	86,639	62,854

Prepared in accordance with Treasury Board Directive 03/2004.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage,group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) New position created and filled April 1, 2005.

(6) Position was occupied for 8 months only in fiscal 2005

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE

Schedule 6 (c)

LABOUR RELATIONS BOARD
For the year ended March 31, 2006

	2006				2005
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Official					
Chair[4][5]	$ 198,508	$ 26,984	$ 7,687	$ 233,179	$ 208,312
Executives					
Vice Chair[5]	133,270	9,326	2,766	145,362	136,305
Vice Chair	127,292	9,653	28,856	165,801	148,599
Executive Director	116,306	8,960	26,845	152,111	136,793
Director of Administration	78,090	5,888	18,313	102,291	96,140

Prepared in accordance with Treasury Board Directive 03/2004.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage,group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) Salary includes pay in lieu of benefits.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE

Schedule 6 (d)

WORKERS' COMPENSATION APPEALS
For the year ended March 31, 2006

	2006				2005
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Officials					
Chief Appeals Commissioner[4]	$ 157,644	$ 24,268	$ 34,343	$ 216,255	$ 188,673
Full Time Commissioners[5]	2,375,581	169,961	243,594	2,789,136	1,965,165
Temporary Appeals Commissioners[6]	1,259,824	-	-	1,259,824	872,364

Prepared in accordance with Treasury Board Directive 03/2004.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage,group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) Commissioners consist of twenty - two full time individuals.

(6) Salary is the honoraria paid from April 1, 2005 to March 31, 2006 for twenty-seven part time Commissioners.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
RELATED PARTY TRANSACTIONS

Schedule 7

For the year ended March 31, 2006
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry receives services under contracts managed by the Ministry of Restructuring and Government Efficiency (RGE). Any commitments under these contracts are reported by the Ministry of Restructuring and Government Efficiency (RGE).

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2006	2005
Expenses - Directly Incurred		
Other Services[a]	$ 18,281	$ 19,283
Tangible Capital Asset Transfers	(217)	-

The above transactions do not include shared service support arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not included in the financial statements.

	2006	2005
Expenses - Incurred by Others		
Accommodation	$ 13,985	$ 14,717
Legal Services	718	507
Internal Audit Services[a]	649	-
Other Services	21	9
	$ 15,373	$ 15,233

[a] In 2005, these costs in the amount of $717, were included in directly incurred expenses - other services.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 8

Allocated Costs

For the year ended March 31, 2006
(in thousands)

Program	2006						2006	2005
	Directly Incurred Expenses [1]	Expenses - Incurred by Others: Accommodation Costs [2]	Expenses - Incurred by Others: Legal Services [3]	Valuation Adjustments [4]: Doubtful Accounts [5]	Valuation Adjustments [4]: Vacation Pay [6]	Valuation Adjustments [4]: Other [7]	Total Expenses	Total Expenses
Ministry Support Services	$ 26,600	$ 625	$ 97		$ 309		$ 27,631	$ 25,669
People Investments	422,962	5,702	375	21	48		429,108	426,929
Skills Investments	277,159	5,391	-		461		283,011	273,905
Workplace Investments	26,540	1,004	132		229		27,905	25,855
Labour Relations and Adjudication	2,980	124	21		32		3,157	2,958
Personnel Administration Office	12,613	685	93		234	1,450	15,075	10,911
Workers' Compensation Appeals	8,006	454	-		(23)		8,437	7,351
	$ 776,860	$ 13,985	$ 718	$ 21	$ 1,290	$ 1,450	$ 794,324	$ 773,578

[1] Expenses as per Statement of Operations excluding valuation adjustments.

[2] Costs shown for Accommodation in Schedule 7 have been allocated as follows:
- Where buildings accommodate staff for one program, costs are allocated to the specific program.
- Where buildings accommodate staff for for two programs, costs are allocated equally between programs.
- Buildings which accommodate multi-programs, costs are allocated based on ratio of staff employed in each program.

[3] Costs shown for Legal Services in Schedule 7 have been allocated based on hours of work performed.

[4] Valuation adjustments as per Statement of Operations.

[5] Provision for doubtful accounts have been allocated based on actual provision relating to the program.

[6] Provision for vacation pay has been allocated based on actual liability recorded.

[7] Other relates to the provision of Government of Alberta's share of the Long Term Disability Income continuance plans liability.

Ministry of Human Resources and Employment

Supplementary Ministry Financial Information

- Ministry Expenses by Function
- Statement of Remissions, Compromises and Write-Offs
- Long Term Disability Income Continuance Fund – Bargaining Unit Financial Statements
- Long Term Disability Income Continuance Fund – Management, Opted Out and Excluded Financial Statements

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
MINSTRY EXPENSE BY FUNCTION

For the year ended March 31, 2006

(in thousands)

	2005-2006 Budget	2005-2006 Actual	2004-2005 Actual
Education			
Skills Investments	$ 280,559	$ 269,852	$ 262,458
Social Services			
People Investments	410,354	422,962	420,530
Ministry Support Services	26,727	26,600	24,881
	437,081	449,562	445,411
Agriculture and Economic Development			
Labour Market Partnerships	2,986	2,210	2,665
Immigrant Support	4,574	5,097	3,136
	7,560	7,307	5,801
Protection of Persons and Property			
Workplace Investments	25,694	26,540	24,377
Workers' Compensation Appeals	8,237	8,006	6,912
Labour Relations and Adjudication	2,861	2,980	2,797
	36,792	37,526	34,086
General Government			
Personnel Administration Office	12,901	12,613	8,610
Valuation Adjustment and Other Provisions	2,659	2,761	1,988
	15,560	15,374	10,598
Expense by Function	$ 777,552	$ 779,621	$ 758,354

Un-audited information as per Finance 2006 Ministry Annual Report Standards.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
STATEMENT OF REMISSIONS, COMPROMISES AND WRITE-OFFS
For the year ended March 31, 2006

The following Statement has been prepared pursuant to section 28 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs of the Ministry of Human Resources and Employment made or approved during the fiscal year.

	(in thousands)
Remissions under section 26 of the *Financial Administration Act*:	$ -
Compromises under section 27 of the *Financial Administration Act*:	
Supports for Independence and Assured Income for the Severely Handicapped Program	40
Bankruptcies:	
Supports for Independence and Assured Income for the Severely Handicapped Program	185
Write-Offs:	
Supports for Independence and Assured Income for the Severely Handicapped Program	15,393
Widows' Pension Program	2
Miscellaneous	60
	15,455
	$ 15,680

Un-audited information as per Finance 2006 Ministry Annual Report Standards.

Long Term Disability Income Continuance Plan – Bargaining Unit

Financial Statements

March 31, 2006

- Auditor's Report
- Statement of Net Assets Available for Benefits and Accrued Long Term Disability Benefits
- Statement of Changes in Net Assets Available for Benefits
- Notes to the Financial Statements
- Schedule of Investments in Fixed Income Securities
- Schedule of Investments in Canadian Equities
- Schedule of Investments in United States Equities
- Schedule of Investments in Non-North American Equities
- Schedule of Investments in Real Estate

AUDITOR GENERAL
Alberta

Auditor's Report

To the Minister Responsible for the Personnel Administration Office

I have audited the Statement of Net Assets Available for Benefits and Accrued Long Term Disability Benefits of the Long Term Disability Income Continuance Plan–Bargaining Unit as at March 31, 2006 and the Statement of Changes in Net Assets Available for Benefits for the year then ended. These financial statements are the responsibility of the Plan's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the Net Assets Available for Benefits and Accrued Long Term Disability Benefits of the Plan as at March 31, 2006 and the Changes in its Net Assets Available for Benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
June 1, 2006

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AND ACCRUED LONG TERM DISABILITY BENEFITS
As at March 31, 2006

	2006	2005
	($ thousands)	
Net assets available for benefits		
Assets		
Investments (Note 3)	$ 112,941	$ 99,498
Accounts receivable	31	30
	112,972	99,528
Liabilities		
Accounts payable and accrued liabilities	601	789
Net assets available for benefits	112,371	98,739
Accrued long term disability benefits (Note 6)	(121,070)	(110,556)
Actuarial deficiency (Note 6)	**$ (8,699)**	**$ (11,817)**

The accompanying notes and schedules are part of these financial statements

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended March 31, 2006

	2006	2005
	($ thousands)	
Increase in assets		
Contributions:		
Employers	$ 11,264	$ 9,982
Employees	11,264	9,982
Net investment income (Note 7)	14,455	6,505
	36,983	26,469
Decrease in assets		
Benefits	20,244	19,021
Adjudication	1,619	1,444
Severance	796	769
Rehabilitation	378	350
Income maintenance	8	22
Administration expenses (Note 8)	306	226
	23,351	21,832
Increase in net assets	13,632	4,637
Net assets available for benefits at beginning of year	98,739	94,102
Net assets available for benefits at end of year	**$ 112,371**	**$ 98,739**

The accompanying notes and schedules are part of these financial statements.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2006

Note 1 Summary Description of the Plan

The following description of the Long Term Disability Income Continuance Plan (the Plan) for bargaining unit employees is a summary only. For a complete description of the Plan, reference should be made to section 21 of the Public Service Act, the Long Term Disability Income Continuance Plan Regulation, section 98 of the Financial Administration Act and Treasury Board Directive 08/98, as amended.

(a) General

The Plan provides disability benefits and insures income continuance of eligible Government of Alberta employees included in an Alberta Union of Provincial Employee's (AUPE) bargaining unit. Management and employees opted out and excluded from an AUPE bargaining unit are covered under a separate Plan.

(b) Funding Policy

Long term disability benefits are funded equally by employer and employee contributions at rates which are expected to provide for all benefits payable under the Plan. The rates in effect at March 31, 2006 were unchanged at 1.55% of insurable salary for employers and 1.55% for employees. The rates are to be reviewed at least once every three years by the Public Service Commissioner based on recommendations of the Plan's actuary and Advisory Committee.

On March 30, 1998, the Government of Alberta provided a one-time contribution of $88,589,000 to the Plan, representing the Plan's accrued long term disability benefits as at December 31, 1997 as determined by the Plan's actuary. Any deficiencies incurred by the Plan are funded by increasing employer and employee contributions.

Note 1 Summary Description of the Plan (continued)

(c) Long Term Disability Benefits

Benefits are payable when eligible plan members become disabled for 80 consecutive normal workdays as the result of bodily injury or illness, as determined by the Plan's adjudicator. Plan members are eligible for coverage after completion of three consecutive months of service without absence in a permanent position, or a full year in a temporary position. The Plan provides for benefits equalling to 70% of members' pre-disability salary. The maximum benefit payable is $4,000 per month for each member. Reduced benefits are payable to eligible members who receive compensation from the Workers' Compensation Board or the Crimes Compensation Board, or benefits under the Canada Pension Plan or any other group disability plan, or vacation leave pay or employment income under a rehabilitation program. At year-end a contingent gain may exist relating to plan members who applied for Canada Pension Plan benefits, but who have not yet been approved. If approved, an amount equal to the monthly Canada Pension Plan benefit times the number of months the person has been receiving benefits, will be recovered.

No benefit is payable if the disability is the result of injuries suffered from participation in a criminal act or an act of war, or injury or illness which are self-inflicted intentionally. Disabled members who are not under the continuous care of a physician or who are confined in prisons are not eligible for benefits.

Benefits terminate upon the earliest of the date the member resigns or is gainfully employed or is no longer disabled, three months after the adjudicator declares the member is suitable for gainful employment, or the date the member attains age 65 and is eligible for an unreduced public service pension. Benefits also terminate when a member's earnings under a rehabilitation program are the same as his pre-disability salary or after 24 months where the member is in a temporary position.

(d) Decrease in Assets

Expenses of the Plan include benefits paid out, adjudication fees, severance payments for resignation of employment subsequent to disability leave, rehabilitation expenses and administrative costs. Adjudication fees include services performed by an independent agent in determining the eligibility of claims, the amounts of eligible benefits and the time period applicable for disability.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) Basis of Presentation

These financial statements are prepared on the going concern basis in accordance with Canadian generally accepted accounting principles. The statements provide information about the net assets available in the Plan to meet future benefit payments and are prepared to assist Plan members and others in reviewing the activities of the Plan for the year.

Plan investments are held in pooled investment funds administered by Alberta Finance or external managers appointed by Alberta Finance. Pooled investment funds have a market-based unit value that is used to allocate income to pool participants and to value purchases and sales of pool units.

(b) Valuation of Assets and Liabilities

Investments are stated at fair value. The methods used to determine fair value of investments held by pooled investment funds are explained in the following paragraphs:

Short-term securities, public fixed income securities and equities are valued at the year-end closing sale price or the average of the latest bid and ask prices quoted by an independent securities valuation company.

Private fixed income securities and mortgages are valued based on the net present value of future cash flows. These cash flows are discounted using Government of Canada bond rates adjusted for a risk premium estimated by investment managers of Alberta Finance.

The fair value of alternative investments including absolute return strategy investments, investments in limited partnerships, private investment funds, private equities and securities with limited marketability is estimated by Alberta Finance or external managers appointed by Alberta Finance. This is done using methods such as cost, discounted cash flows, earnings multiples, prevailing market values for instruments with similar characteristics and other pricing models as appropriate.

Real estate investments are reported at their most recent appraised value net of any liabilities against the real property. Real estate properties are appraised annually by qualified external real estate appraisers using methods such as replacement cost, discounted cash flows, earnings multiples, prevailing market values for properties with similar characteristics and other pricing models as appropriate.

The fair values of deposits, receivables, accrued investment income and payables are estimated to approximate their book values.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Income Recognition

Dividends are accrued on the ex-dividend date. Income from other investments is accrued as earned. Gains or losses on investments are recognized concurrently with changes in fair value.

(d) Foreign Exchange

Foreign currency transactions are translated into Canadian dollars using average rates of exchange, except for hedged foreign currency transactions, which are translated at rates of exchange, established by the terms of the forward exchange contracts. At year-end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated at the year-end exchange rate. Exchange differences are included in the determination of investment income or loss.

(e) Valuation of Derivative Contracts

Derivative contracts (see Note 5) include equity and bond index swaps, interest rate swaps, forward foreign exchange contracts, equity index futures contracts, credit default swaps and cross-currency interest rate swaps. The value of derivative contracts is included in the fair value of pooled investment funds. The estimated fair values of derivative contracts at the reporting date is determined by the following methods:

Equity and bond index swaps are valued based on changes in the appropriate market based index net of accrued floating rate interest.

Interest rate swaps are valued based on discounted cash flows using current market yields.

Forward foreign exchange contracts and equity index futures contracts are based on quoted market prices.

Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities.

Cross-currency interest rate swaps are valued at quoted prices based on discounted cash flows using current market yields and year-end exchange rates.

Income and expense from derivative contracts are accrued as earned and included in investment income or loss. Gains and losses on forward foreign exchange contracts are recognized concurrently with changes in fair value.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(f) Measurement Uncertainty

In preparing these financial statements, estimates and assumptions are used in circumstances where the actual values are unknown. Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used.

Measurement uncertainty exists in the calculation of the Plan's accrued long-term disability benefits and in the valuation of the Plan's private and alternative investments and real estate. Uncertainty arises because:

(i) the Plan's actual experience may differ significantly from assumptions used in the calculation of the Plan's accrued long-term disability benefits, and

(ii) the estimated fair values of the Plan's private and alternative investments and real estate may differ significantly from the values that would have been used had a ready market existed for these investments.

While best estimates have been used in the calculation of the Plan's accrued long term disability benefits and in the valuation of the Plan's private and alternative investments and real estate, management considers that it is possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the recognized amounts.

Differences between actual results and expectations are disclosed as assumption changes and net experience gains or losses that change the value of accrued long term disability benefits (see Note 6).

Differences between the estimated fair values and the amount ultimately realized are included in net investment income in the year when the ultimate realizable values are known.

Note 3 Investments (Schedules 1 to 5)

	2006 Fair Value ($ thousands)	%	2005 Fair Value ($ thousands)	%
Fixed Income Securities (Schedule 1)				
Deposit in the Consolidated Cash Investment Trust Fund (a)	$ 1,425	1.3	$ 2,152	2.2
Canadian Dollar Public Bond Pool (b)	33,038	29.2	29,262	29.4
Private Mortgage Pool (c)	5,509	4.9	4,896	4.9
Tactical Asset Allocation (m)	225	0.2	198	0.2
External Managers Currency Alpha Pool	125	0.1	-	-
Total fixed income securities	40,322	35.7	36,508	36.7
Canadian Equities (Schedule 2)				
Domestic Passive Equity Pooled Fund (d)	8,036	7.1	7,138	7.2
Canadian Pooled Equities Fund (e)	4,851	4.3	4,254	4.3
External Managers				
Canadian Equity Enhanced Index Pool (f)	2,345	2.1	2,379	2.4
Canadian Large Cap Equity Pool (g)	1,656	1.5	1,544	1.5
Canadian Multi-Cap Pool (h)	1,498	1.3	1,007	1.0
Growing Equity Income Pool (i)	1,003	0.9	1,118	1.1
Tactical Asset Allocation (m)	(1,175)	(1.0)	(1,008)	(1.0)
	18,214	16.2	16,432	16.5
United States Equities (Schedule 3)				
S&P 500 Pooled Index Fund (j)	15,036	13.3	13,812	13.9
Portable Alpha US Equity Pool (k)	3,321	3.0	2,750	2.8
External Managers				
U.S. Mid/Small Cap Equity Pool (l)	2,745	2.4	2,334	2.3
Tactical Asset Allocation (m)	1,186	1.0	1,013	1.0
Growing Equity Income Pool (i)	310	0.3	178	0.2
	22,598	20.0	20,087	20.2
Non-North American Equities (Schedule 4)				
External Managers				
EAFE Active Equity Pool (n)	16,763	14.8	15,173	15.3
EAFE Passive Equity Pool (o)	2,109	1.9	3,225	3.2
Emerging Markets Equity Pool (p)	1,150	1.0	1,075	1.1
EAFE Structured Equity Pool Fund (o)	2,041	1.8	-	-
	22,063	19.5	19,473	19.6
Alternative Investments - Equities				
Absolute Return Strategy Pool (q)	688	0.6	736	0.7
Timberland Pool (r)	439	0.4	-	-
Private Income and Foreign Private Equity Pools	14	-	-	-
	1,141	1.0	736	0.7
Real Estate Equities (Schedule 5)				
Private Real Estate Pool (s)	8,267	7.3	5,949	6.0
Foreign Real Estate Pool	336	0.3	313	0.3
	8,603	7.6	6,262	6.3
Total equities	72,619	64.3	62,990	63.3
Total investments	**$ 112,941**	**100.0**	**$ 99,498**	**100.0**

Note 3 Investments (Schedules 1 to 5) (continued)

(a) The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years.

(b) The Canadian Dollar Public Bond Pool is managed with the objective of providing competitive returns comparable to the total return of the Scotia Capital Universe Bond Index over a four-year period while maintaining adequate security and liquidity of participants' capital. The portfolio is comprised of high quality Canadian fixed income instruments and debt related derivatives. Competitive returns are achieved through management of the portfolio duration and sector rotation.

(c) The Private Mortgage Pool is managed with the objective of providing investment returns higher than the Scotia Capital Universe Bond Index over the long term. The portfolio is comprised primarily of high-quality commercial mortgage loans and provincial bond residuals. In order to reduce risk, the pool only invests in loans insured by a federal agency and first-mortgage loans that provide diversification by property usage and geographic location.

(d) The Domestic Passive Equity Pooled Fund is managed on a passive approach with the objective of providing investment returns comparable to the total return of the Toronto Stock Exchange S&P/TSX Composite Index. The portfolio is comprised of both publicly traded Canadian equities and structured investments replicating the S&P/TSX Composite Index.

(e) The Canadian Pooled Equities Fund is managed with the objective of providing returns higher than the total return of the S&P/TSX Composite Index over a four year period while maintaining preservation of participants' capital. The portfolio is comprised of publicly traded equities in Canadian corporations and is designed to reduce risk by prudent security selection while maintaining sector neutral.

(f) The External Managers Canadian Equity Enhanced Index Pool consists of a single portfolio of publicly traded Canadian equities in the large cap market and is designed to generate a consistent level of investment return above the total return of the S&P/TSX Composite Index over a four-year period with relatively low risk.

(g) The External Managers Canadian Large Cap Equity Pool consists of multiple portfolios of publicly traded Canadian equities. Each portfolio is actively managed by an external manager with expertise in the Canadian large cap equity markets. The performance objective is to provide investment returns higher than the total return of the S&P/TSX Composite Index over a four-year period while reducing return volatility through multiple managers each of whom has a different investment style and market capitalization focus.

Note 3 Investments (Schedules 1 to 5) (continued)

(h) The Canadian Multi-Cap Pool consists of a single portfolio with multiple components. The large cap component is internally managed and provides exposure to the Canadian equity market through structured investments replicating the S&P/TSX 60 Index. The small/mid cap component is managed by an external manager with expertise in the Canadian small/mid cap markets. The performance objective is to provide investment returns higher than the total return of the S&P/TSX Composite Index over a four-year period.

(i) The Growing Equity Income Pool is managed with the objective of providing returns higher than the return of the S&P/TSX Custom Dividend Index over a four-year period. The pool is intended to provide a steady stream of dividend income with potential for capital appreciation by investing in dividend-paying Canadian and US companies that exhibit attractive valuation, growth and quality financial characteristics.

(j) The S&P 500 Pooled Index Fund consists of publicly traded United States equities similar in weights to the Standard & Poor's S&P 500 Index. The pooled fund is passively managed by managers with expertise in the U.S. equity market. The performance objective is to provide investment returns comparable to the total return of the S&P 500 Index over a four-year period. The pool utilizes a combination of pure security replication and synthetic replication strategies to obtain exposure to the benchmark. To enhance investment returns with no substantial increase in risks, the pools also invest in futures, swaps and other structured investments.

(k) The Portable Alpha US Equity Pool provides exposure to the United States equity market by replicating the S&P 500 Index with S&P 500 index swaps and futures contracts. Externally managed absolute return strategy investments and money market instruments are actively used as underlying securities to add value to the exposure. The performance objective is to provide returns higher than the S&P 500 Index over the long term.

(l) The External Managers U.S. Mid/Small Cap Equity Pool consists of multiple portfolios of publicly traded United States equities. The portfolios are actively managed by external managers with expertise in the U.S. mid/small cap equity markets. The performance objective is to provide returns higher than the total return of the Russell 2500 Index and/or the S&P 500 Total Return Index over a four-year period while reducing return volatility through multiple manager investment styles and unique market capitalization focus.

(m) The Tactical Asset Allocation Pool is managed with the objective of providing a quick, efficient and economical way to earn excess returns, on an opportunistic basis, by taking positions that effectively alter a portfolio's broad asset mix, or capitalize on significant anomalies in the market. The pool is comprised of synthetic instruments that increase the effective weight of a portfolio in one broad asset category while simultaneously decrease the effective weight in another broad asset category. As the pool is notionally a zero net investment portfolio, it has an absolute return of zero as its benchmark.

Note 3 Investments (Schedules 1 to 5) (continued)

(n) The External Managers EAFE (Europe, Australasia and Far East) Active Equity Pool consists of multiple portfolios of publicly traded Non-North American equities. Each portfolio is actively managed by an external manager and has constraints on foreign currency management, country allocation, stock selection and investments in emerging markets. The performance objective is to provide investment returns higher than the total return of the Morgan Stanley Capital International (MSCI) EAFE Index over a four-year period while reducing return volatility through multiple manager investment styles and market diversification.

(o) The External Managers EAFE Passive Equity Pool and the EAFE Structured Equity Pooled Fund's performance objective is to provide returns comparable to the total return of the MSCI EAFE index over a four-year period. The External Managers EAFE Passive Equity Pool consists of a single portfolio of Non-North American publicly traded equities similar in weights to the MSCI EAFE index. The EAFE Structured Equity Pooled Fund is internally managed and provides exposure to foreign markets in Europe, Australasia and the Far East through the use of structured investments such as foreign equity index swaps. The pooled fund also invests in the Floating Rate Note Pool to generate the floating rate cash flows needed for its equity swap obligations.

(p) The External Managers Emerging Markets Equity Pool consists of publicly traded equities in emerging markets around the world. The portfolios are actively managed by external managers with expertise in emerging markets. The performance objective is to provide returns higher than the total return of the Morgan Stanley Capital International Emerging Markets Free (MSCI EMF) Index over a four-year period.

(q) The External Managers Absolute Return Strategy Pool is managed by external managers with the objective of providing investment returns comparable to the Consumer Price Index plus 6%. The pool is intended to yield absolute positive investment returns with low volatility using various investment strategies.

(r) The Timberland Pool's performance objective is to provide a rate of return higher than the Consumer Price Index plus 4% over the long term. The pool invests in a partnership interest in forestry land in British Columbia.

(s) The Private Real Estate Pool is managed with the objective of providing investment returns higher than the Investment Property Databank (IPD) Large Institutional All Property Index over the long term. Real estate is held through limited partnerships and intermediate companies, which have issued to the pool common shares and participating debentures secured by a charge on real estate. Risk is reduced by investing in properties that provide diversification by geographic location, by property type and by tenancy. The pool is intended to provide diversification from the securities market.

Note 4 Investment Risk Management

Fair values of investments are exposed to credit risk and price risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk relates to the possibility that the investments will change in value due to future fluctuations in foreign exchange rates. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

Actuarial liabilities of the Plan are primarily affected by the long-term real rate of return on investments. In order to earn the best possible return at an acceptable level of risk, a long-term policy asset mix of 27% fixed income instruments and 73% equities has been established by Alberta Finance on behalf of the Plan. Investment risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions on amounts exposed to countries designated as emerging markets. Controls are in place respecting the use of derivatives (see Note 5). Forward foreign exchange contracts may be used to manage currency exposure in connection with securities purchased in foreign currency (see Note 5).

Note 5 Derivative Contracts

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates or currency rates. The Plan uses derivative contracts held indirectly through pooled investment funds to enhance return, manage exposure to interest, credit and foreign currency risks, and for asset mix management purposes. The notional value of a derivative contract represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows.

A swap is a contractual agreement between two counter-parties to exchange a series of cash flows based on a notional amount. An equity or bond index swap involves the exchange of a floating interest rate cash flow for one based on the performance of a market index. For interest rate swaps, parties generally exchange fixed and floating rate interest cash flows based on a notional amount. For credit default swaps, parties buy and sell insurance against credit risks inherent in bonds. Periodic payments, based on a notional amount, are exchanged for a contingent payment following a defined credit event of a reference entity. Cross-currency interest rate swaps are contractual obligations in which the principal amounts of Canadian fixed-income securities denominated in foreign currency are exchanged for Canadian currency amounts both initially and at maturity. Over the term of the cross-currency swap, counter-parties exchange fixed to fixed and fixed to floating interest rate cash flows in the swapped currencies. There are underlying securities supporting all swaps. Leveraging is not allowed.

Note 5 Derivative Contracts (continued)

Forward foreign exchange contracts are agreements to exchange specified currencies at an agreed upon exchange rate and on an agreed settlement date in the future.

Equity index futures contracts are agreements to receive or pay cash on an agreed settlement date based on changes in the level of a specified stock index in the future.

The following is a summary of the Plan's proportionate share of the notional amount and fair value of derivative contracts held by pooled funds at March 31, 2006:

	Maturity			2006		2005	
	Under 1 Year	1 to 3 Years	Over 3 Years	Notional Amount	Net Fair Value (a)	Notional Amount	Net Fair Value (a)
	%			($ thousands)			
Equity index swap contracts	73	27	-	$ 19,898	$ 355	$ 13,157	$ 24
Credit default swap contracts	1	4	95	10,962	25	1,125	13
Interest rate swap contracts	44	42	14	8,652	(17)	4,140	(103)
Forward foreign exchange contracts	100	-	-	7,103	(11)	3,304	35
Equity index futures contracts	100	-	-	6,161	129	2,495	53
Cross-currency interest rate swap contracts	12	32	56	5,939	436	5,306	11
Bond index swap contracts	100	-	-	1,983	198	569	4
				$ 60,698	$ 1,115	$ 30,096	$ 37

(a) The method of determining fair value of derivative contracts is described in Note 2 (e).

The notional amounts, upon which payments are based, are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position (positive fair value). The Plan attempts to limit its credit exposure by dealing with counter-parties believed to have good credit standing.

Note 6 Accrued Long Term Disability Benefits

(a) Actuarial Valuation

An actuarial valuation of the Plan was carried out as at March 31, 2006 by Johnson Inc. The 2006 valuation resulted in an actuarial deficiency of $8.7 million as disclosed in the statement of net assets available for benefits and accrued long term disability benefits.

Note 6 Accrued Long Term Disability Benefits (continued)

(a) Actuarial Valuation (continued)

The accrued long term disability benefits as at March 31, 2006 was determined using the projected benefit method based on estimates of the Plan's Disabled Life Reserve and the Incurred But Unreported Reserve. The assumptions used in the valuation were developed as the best estimate of expected short and long term market conditions and other future events. These estimates were, after consultation with the Plan's actuary, adopted by the Public Service Commissioner. The major assumptions used were:

	2006 Valuation	2005 Valuation
	%	
Interest discount rate	6.5	6.5
Continuance rates Based on 1984 Commissioner's Group Disability Table	Modified*	Modified*
Incurred but unreported reserve factor As percentage of premiums	35	35

* The rates have been modified by both age and duration to reflect adjudication practices and claims termination experience respecting disability definition specific to this plan.

The Disabled Life Reserve is an estimate of the value of future payments to be made over the life of incurred claims, discounted to a current value using a rate of 6.5%.

The Incurred But Unreported Reserve is an estimate of the value of the financial impact of claims that are either unreported or not approved at the fiscal year end, but which will ultimately be accepted for benefits. Based on a review of historical reserves, the actuary determined a reserve factor of 35% of premiums was appropriate for estimating the reserve amount.

The following statement shows the principal components of the change in the value of accrued long term disability benefits.

Note 6 Accrued Long Term Disability Benefits (continued)

(a) Actuarial Valuation (continued)

	2006	2005
	($ thousands)	
Accrued long term disability benefits at beginning of year	$ 110,556	$ 103,868
Interest accrued on benefits	7,186	7,271
Change in actuarial assumption of interest discount rate	-	2,810
Net experience gains	(3,531)	(8,442)
New claims	26,774	22,202
Terminations	(19,915)	(17,153)
Accrued long term disability benefits at end of year	**$ 121,070**	**$ 110,556**

(b) Sensitivity of Changes in Major Assumptions

The Plan's future experience will inevitably differ, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations and will affect the financial position of the Plan.

As at March 31, 2006, holding the continuance rates and incurred but unreported reserve factor constant, a 0.5% decrease in the assumed interest discount rate would increase the actuarial deficiency of the Plan by $3.2 million.

Note 7 Net Investment Income

(a) Net investment income is comprised of the following:

	2006	2005
	($ thousands)	
Net realized and unrealized gains on investments including those arising from derivative transactions	$ 10,656	$ 3,171
Interest income	2,561	2,227
Dividend income	949	938
Real estate operating income	404	284
Securities lending income	32	24
Pooled funds management and associated custodial fees	(147)	(139)
	$ 14,455	**$ 6,505**

The following is a summary of the Plan's proportionate share of net investment income by type of investments:

	2006	2005
	($ thousands)	
Fixed Income Securities	$ 1,962	$ 1,939
Canadian Equities	4,914	2,481
Foreign Equities		
United States	1,577	(236)
Non-North American	4,577	1,390
Alternative Investments	2	41
Real Estate	1,423	890
	$ 14,455	**$ 6,505**

(b) The Plan uses the time-weighted rate of return based on market values to measure performance. The measure involves the calculation of the return realized by the Plan over a specified period and is a measure of the total proceeds received from an investment dollar initially invested. Total proceeds include cash distributions (interest and dividend payments) and capital gains or losses (realized and unrealized).

The time-weighted rate of return measures the compounded rate of growth of the initial investment over the specified period. It is designed to eliminate the effect that the size and timing of cash flows have on the internal rate of return. The investment industry uses time-weighted rates of return calculated using market values when comparing the returns of funds with other funds or indices.

Note 7 Net Investment Income (continued)

Investment returns for the Plan for the one-year and four-year periods ended March 31, 2006 are as follows:

	One Year Return				4 Year Compound Annualized Return
	2006	2005	2004	2003	
Time-weighted rates of return					
Short-term fixed income	**3.0**	2.5	3.0	2.9	**2.9**
Scotia Capital 91-Day T-Bill Index	*2.8*	*2.2*	*3.0*	*2.7*	*2.7*
Long-term fixed income	**5.7**	5.6	11.6	9.7	**8.1**
Scotia Capital Universe Bond Index	*4.9*	*5.0*	*10.8*	*9.2*	*7.4*
Canadian equities	**29.0**	15.4	36.5	(17.4)	**13.8**
Toronto Stock Exchange S&P/TSX Composite Index	*28.4*	*13.9*	*37.7*	*(17.6)*	*13.5*
United States equities	**8.5**	(1.8)	22.0	(30.6)	**(2.5)**
Standard & Poor's 1500 Index	*9.1*	*(1.0)*	*20.5*	*(30.7)*	*(2.6)*
Non-North American equities	**24.0**	7.5	40.9	(29.1)	**7.4**
MSCI EAFE Index	*20.0*	*6.2*	*40.5*	*(29.3)*	*6.1*
Alternative Investments	**(0.1)**	**n/a**	**n/a**	**n/a**	**n/a**
Combined benchmark	*8.9*	*n/a*	*n/a*	*n/a*	*n/a*
Real Estate	**20.5**	16.9	7.5	9.8	**13.6**
*Real Estate Index**	*18.1*	*7.1*	*5.7*	*8.8*	*9.8*
Overall	**14.7**	**6.9**	**23.0**	**(10.8)**	**7.7**
Policy Benchmark	***13.4***	***5.6***	***22.1***	***(11.4)***	***6.7***

The current sector benchmark indices are as of March 31, 2006. Benchmark indices may have been different in prior years, therefore the benchmark returns may be a blend of different indices.

Note 8 Administration Expenses

	2006	2005
	($ thousands)	
Investment management, actuarial fees and other services	$ 125	$ 58
General administration costs	161	165
Bad debts	20	3
	$ 306	**$ 226**

Investment management costs were paid to Alberta Finance and do not include custodial and pooled fund management fees, which have been deducted in arriving at investment income (see Note 7 (a)).

Note 8 Administration Expenses (continued)

Accommodation and legal costs incurred on behalf of the Plan by the Government of Alberta have not been included in the Plan's expenses. These costs are recorded by the Government of Alberta and are not recovered from the Plan.

Note 9 Contingent Liabilities

As at March 31, 2006, the Province was named as defendant in four (2005 four) legal actions relating to long term disability benefits claims. The total claimed in three (2005 three) of these specific legal actions amounted to approximately $1,264,000 (2005 $1,639,000) while the remaining claim has not specified any amount. The resulting loss, if any, from these claims and other potential claims cannot be determined.

Note 10 Comparative Figures

Comparative figures have been reclassified to be consistent with 2006 presentation.

Note 11 Approval of Financial Statements

These financial statements were prepared by management and approved by the Public Service Commissioner.

Schedule 1

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
SCHEDULE OF INVESTMENTS IN FIXED INCOME SECURITIES
March 31, 2006

	Plan's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 1,802	$ 2,434
Fixed Income Securities (a)		
Public		
Government of Canada, direct and guaranteed	9,127	8,749
Provincial, direct and guaranteed		
Alberta	196	18
Other	6,149	7,066
Municipal	167	371
Corporate, public and private	22,402	17,634
	38,041	33,838
Receivable from sale of investments and accrued investment income	814	405
Liabilities for investment purchases	(335)	(169)
	479	236
	$ 40,322	**$ 36,508**

(a) Fixed income securities held as at March 31, 2006 had an average effective market yield of 4.78% per annum (2005 4.47% per annum). The following term structure of these securities as at March 31, 2006 is based on principal amount:

	2006	2005
	%	
Under 1 year	3	3
1 to 5 years	31	35
6 to 10 years	35	33
11 to 20 years	12	12
Over 20 years	19	17
	100	**100**

Schedule 2

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
SCHEDULE OF INVESTMENTS IN CANADIAN EQUITIES
March 31, 2006

	Plan's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 90	$ 125
Public Equities (a) (b)		
Consumer discretionary	936	1,042
Consumer staples	530	715
Energy	5,028	3,332
Financial	5,371	5,257
Health care	191	220
Industrials	1,078	875
Information technology	732	882
Materials	2,655	2,321
Telecommunication services	842	1,033
Utilities	179	233
	17,542	15,910
Small Cap pooled fund	451	306
	17,993	16,216
Receivable from sale of investments and accrued investment income	423	271
Liabilities for investment purchases	(292)	(180)
	131	91
	$ 18,214	**$ 16,432**

(a) The Plan's net investment in Canadian public equities includes the fair value of deposits and floating rate notes, totalling $7,600,000 (2005 $6,653,000), which were used as underlying securities to support the notional amount of Canadian equity index swap contracts.

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Toronto Stock Exchange S&P/TSX Composite Index.

Schedule 3

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
SCHEDULE OF INVESTMENTS IN UNITED STATES EQUITIES
March 31, 2006

	Plan's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 80	$ 278
Public Equities (a) (b)		
Consumer discretionary	2,363	2,363
Consumer staples	1,893	1,876
Energy	2,112	1,736
Financial	4,720	3,986
Health care	2,881	2,586
Industrials	2,785	2,498
Information technology	3,460	3,019
Materials	789	783
Telecommunication services	653	550
Utilities	706	708
	22,362	20,105
Receivable from sale of investments and accrued investment income	737	151
Liabilities for investment purchases	(581)	(447)
	156	(296)
	$ 22,598	**$ 20,087**

(a) The Plan's net investment in United States public equities includes the fair value of deposits and floating rate notes, totalling $11,865,000 (2005 $8,999,000), which were used as underlying securities to support US equity index swap contracts.

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Standard & Poor's S&P 500 Index.

Schedule 4

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
SCHEDULE OF INVESTMENTS IN NON-NORTH AMERICAN EQUITIES
March 31, 2006

	Plan's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 507	$ 377
Public Equities (a)		
Consumer discretionary	2,513	2,514
Consumer staples	1,267	1,085
Energy	1,579	1,648
Financial	6,144	4,942
Health care	1,476	1,134
Industrials	2,834	2,271
Information technology	1,433	946
Materials	1,713	1,648
Telecommunication services	1,163	1,615
Utilities	921	813
	21,043	18,616
Emerging markets equity funds	446	447
Receivable from sale of investments and accrued investment income	405	240
Liabilities for investment purchases	(338)	(207)
	67	33
	$ 22,063	**$ 19,473**

(a) The Plan's net investment in Non-North American public equities includes the fair value of deposits and floating rate notes, totalling $1,949,000 (2005 $nil), which were used as underlying securities to support the notional amount of Non-North American equity index swaps and futures contracts.

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Standard & Poor's S&P 500 Index. The following is a summary of the Plan's share of Non-North American public equities by country based on geographic location of stock exchange on which stocks were purchased:

	Plan's Share	
	2006	2005
	($ thousands)	
Japan	$ 4,932	$ 3,191
United Kingdom	4,136	4,007
France	2,156	1,851
Germany	1,440	1,326
Switzerland	1,425	1,173
Netherlands	1,093	1,012
Australia	785	840
Italy	674	716
Spain	583	538
Sweden	434	499
Other	3,385	3,463
	$ 21,043	**$ 18,616**

Schedule 5

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
SCHEDULE OF INVESTMENTS IN REAL ESTATE
March 31, 2006

	Plan's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 5	$ 2
Real estate (a)		
Office	4,087	2,705
Retail	2,734	2,410
Industrial	860	470
Residential	372	268
	8,053	5,853
Foreign Private Equity Pool	336	313
Passive index	192	86
Receivable from sale of investments and accrued investment income	17	8
	$ 8,603	**$ 6,262**

(a) The following is a summary of the Plan's investment in real estate by geographic locations:

	Plan's Share	
	2006	2005
	($ thousands)	
Ontario	$4,904	$ 3,895
Alberta	2,254	1,215
Quebec	736	616
British Columbia	159	127
	$ 8,053	$ 5,853

Long Term Disability Income Continuance Plan – Management, Opted Out and Excluded

Financial Statements

March 31, 2006

- Auditor's Report
- Statement of Net Assets Available for Benefits and Accrued Long Term Disability Benefits
- Statement of Changes in Net Assets Available for Benefits
- Notes to the Financial Statements
- Schedule of Investments in Fixed Income Securities
- Schedule of Investments in Canadian Equities
- Schedule of Investments in United States Equities
- Schedule of Investments in Non-North American Equities
- Schedule of Investments in Real Estate

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Minister Responsible for the Personnel Administration Office

I have audited the Statement of Net Assets Available for Benefits and Accrued Long Term Disability Benefits of the Long Term Disability Income Continuance Plan–Management, Opted Out and Excluded as at March 31, 2006 and the Statement of Changes in Net Assets Available for Benefits for the year then ended. These financial statements are the responsibility of the Plan's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the Net Assets Available for Benefits and Accrued Long Term Disability Benefits of the Plan as at March 31, 2006 and the Changes in its Net Assets Available for Benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

FCA
Auditor General

Edmonton, Alberta
June 1, 2006

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AND ACCRUED LONG TERM DISABILITY BENEFITS

As at March 31, 2006

($ thousands)

	2006	2005
Net assets available for benefits		
Assets		
Investments (Note 3)	$ 34,118	$ 26,986
Accounts receivable	23	17
	34,141	27,003
Liabilities		
Accounts payable and accrued liabilities	130	107
Net assets available for benefits	34,011	26,896
Accrued long term disability benefits (Note 6)	(25,702)	(23,688)
Actuarial surplus (Note 6)	**$ 8,309**	**$ 3,208**

The accompanying notes and schedules are part of these financial statements.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended March 31, 2006

($ thousands)

	2006	2005
Increase in assets		
Employer contributions	$ 7,823	$ 7,088
Net investment income (Note 7)	4,071	1,642
	11,894	8,730
Decrease in assets		
Benefits	4,502	4,255
Adjudication	140	149
Rehabilitation	60	44
Severance	-	272
Administration expenses (Note 8)	77	67
	4,779	4,787
Increase in net assets	7,115	3,943
Net assets available for benefits at beginning of year	26,896	22,953
Net assets available for benefits at end of year	**$ 34,011**	**$ 26,896**

The accompanying notes and schedules are part of these financial statements.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN -
MANAGEMENT, OPTED OUT AND EXCLUDED
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2006

Note 1 Summary Description of the Plan

The following description of the Long Term Disability Income Continuance Plan (the Plan) for management, opted out and excluded employees is a summary only. For a complete description of the Plan, reference should be made to section 21 of the Public Service Act, the Long Term Disability Income Continuance Plan Regulation, the Long Term Disability Benefits Regulation (Legislative Assembly Act), section 98 of the Financial Administration Act and Treasury Board Directive 09/98, as amended.

(a) General

The Plan provides disability benefits and insures income continuance of eligible Government of Alberta management, opted out and excluded employees, members of the Legislative Assembly and Provincial Judges. Employees included in an Alberta Union of Provincial Employee's bargaining unit are covered under a separate Plan.

(b) Funding Policy

Long term disability benefits are funded by employer and Government contributions at a rate which is expected to provide for all benefits payable under the Plan. The rate in effect at March 31, 2006 was unchanged at 1.7% of insurable salary for employer and the Government. The rate is to be reviewed at least once every three years by the Public Service Commissioner based on recommendations of the Plan's actuary and Advisory Committee.

On March 30, 1998, the Government of Alberta provided a one-time contribution of $13,698,000 to the Plan, representing the Plan's accrued long term disability benefits as at December 31, 1997 as determined by the Plan's actuary. Any deficiencies incurred by the Plan are to be funded by increasing employer contributions.

Note 1 Summary Description of the Plan (continued)

(c) Long Term Disability Benefits

Benefits are payable when eligible plan members become disabled for 80 consecutive normal workdays as the result of bodily injury or illness, as determined by the Plan's adjudicator. Plan members are eligible for coverage after completion of three consecutive months of service without absence in a permanent position, or a full year in a temporary position. The Plan provides for benefits equalling to 70% of members' pre-disability salary. Reduced benefits are payable to eligible members who receive compensation from the Workers' Compensation Board or the Crimes Compensation Board, or benefits under the Canada Pension Plan or any other group disability plan, or vacation leave pay or employment income under a rehabilitation program. At year-end a contingent gain may exist relating to plan members who applied for Canada Pension Plan benefits, but who have not yet been approved. If approved, an amount equal to the monthly Canada Pension Plan benefit times the number of months the person has been receiving benefits, will be recovered.

No benefit is payable if the disability is the result of injuries suffered from participation in a criminal act or an act of war, or injury or illness which are self-inflicted intentionally. Disabled members who are not under the continuous care of a physician or who are confined in prisons are not eligible for benefits.

Benefits terminate upon the earliest of the date the member resigns or is gainfully employed or is no longer disabled, three months after the adjudicator declares the member is suitable for gainful employment, or the date the member attains age 65 and is eligible for an unreduced public service pension. Benefits also terminate when a member's earnings under a rehabilitation program are the same as his pre-disability salary or after 24 months where the member is in a temporary position.

(d) Decrease in Assets

Expenses of the Plan include benefits paid out, rehabilitation expenses, adjudication fees, severance payments for resignation of employment subsequent to disability leave if any, and administrative costs. Adjudication fees include services performed by an independent agent in determining the eligibility of claims, the amounts of eligible benefits and the time period applicable for disability.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) Basis of Presentation

These financial statements are prepared on the going concern basis in accordance with Canadian generally accepted accounting principles. The statements provide information about the net assets available in the Plan to meet future benefit payments and are prepared to assist Plan members and others in reviewing the activities of the Plan for the year.

Plan investments are held in pooled investment funds administered by Alberta Finance or external managers appointed by Alberta Finance. Pooled investment funds have a market-based unit value that is used to allocate income to pool participants and to value purchases and sales of pool units.

(b) Valuation of Assets and Liabilities

Investments are stated at fair value. The methods used to determine fair value of investments held by pooled investment funds are explained in the following paragraphs:

Short-term securities, public fixed income securities and equities are valued at the year-end closing sale price or the average of the latest bid and ask prices quoted by an independent securities valuation company.

Private fixed income securities and mortgages are valued based on the net present value of future cash flows. These cash flows are discounted using Government of Canada bond rates adjusted for a risk premium estimated by investment managers of Alberta Finance.

The fair value of alternative investments including absolute return strategy investments, investments in limited partnerships, private investment funds, private equities and securities with limited marketability is estimated by Alberta Finance or external managers appointed by Alberta Finance. This is done using methods such as cost, discounted cash flows, earnings multiples, prevailing market values for instruments with similar characteristics and other pricing models as appropriate.

Real estate investments are reported at their most recent appraised value net of any liabilities against the real property. Real estate properties are appraised annually by qualified external real estate appraisers using methods such as replacement cost, discounted cash flows, earnings multiples, prevailing market values for properties with similar characteristics and other pricing models as appropriate.

The fair values of deposits, receivables, accrued investment income and payables are estimated to approximate their book values.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Income Recognition

Dividends are accrued on the ex-dividend date. Income from other investments is accrued as earned. Gains or losses on investments are recognized concurrently with changes in fair value.

(d) Foreign Exchange

Foreign currency transactions are translated into Canadian dollars using average rates of exchange except for hedged foreign currency transactions, which are translated at rates of exchange established by the terms of the forward exchange contracts. At the year-end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated at the year-end exchange rate. Exchange differences are included in the determination of investment income or loss.

(e) Valuation of Derivative Contracts

Derivative contracts (see Note 5) include equity and bond index swaps, interest rate swaps, forward foreign exchange contracts, equity index futures contracts, credit default swaps and cross-currency interest rate swaps. The value of derivative contracts is included in the fair value of pooled investment funds. The estimated fair value of derivative contracts at the reporting date is determined by the following methods:

Equity and bond index swaps are valued based on changes in the appropriate market based index net of accrued floating rate interest.

Interest rate swaps are valued based on discounted cash flows using current market yields.

Forward foreign exchange contracts and equity index futures contracts are based on quoted market prices.

Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities.

Cross-currency interest rate swaps are valued at quoted prices based on discounted cash flows using current market yields and year-end exchange rates.

Income and expense from derivative contracts are accrued as earned and included in investment income or loss. Gains and losses on forward foreign exchange contracts are recognized concurrently with changes in fair value.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(f) Measurement Uncertainty

In preparing these financial statements, estimates and assumptions are used in circumstances where the actual values are unknown. Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used.

Measurement uncertainty exists in the calculation of the Plan's accrued long term disability benefits and in the valuation of the Plan's private and alternative investments and real estate. Uncertainty arises because:

(i) the Plan's actual experience may differ significantly from assumptions used in the calculation of the Plan's accrued long-term disability benefits, and

(ii) the estimated fair values of the Plan's private and alternative investments and real estate may differ significantly from the values that would have been used had a ready market existed for these investments.

While best estimates have been used in the calculation of the Plan's accrued long term disability benefits and in the valuation of the Plan's private and alternative investments and real estate, management considers that it is possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the recognized amounts.

Differences between actual results and expectations are disclosed as assumption changes and net experience gains or losses that change the value of accrued long term disability benefits (see Note 6).

Differences between the estimated fair values and the amount ultimately realized are included in net investment income in the year when the ultimate realizable values are known.

Note 3 Investments (Schedules 1 to 5)

	2006 Fair Value ($ thousands)	%	2005 Fair Value ($ thousands)	%
Fixed Income Securities (Schedule 1)				
Deposit in the Consolidated Cash Investment Trust Fund (a)	$ 989	2.9	$ 1,080	4.0
Canadian Dollar Public Bond Pool (b)	9,763	28.6	8,202	30.4
Private Mortgage Pool (c)	1,534	4.5	1,266	4.7
Tactical Asset Allocation Pool (m)	60	0.2	53	0.2
External Managers Currency Alpha Pool	34	0.1	-	-
Total fixed income securities	12,380	36.3	10,601	39.3
Canadian Equities (Schedule 2)				
Domestic Passive Equity Pooled Fund (d)	2,479	7.2	1,922	7.1
Canadian Pooled Equities Fund (e)	1,553	4.6	1,191	4.4
External Managers				
Canadian Equity Enhanced Index Pool (f)	790	2.3	576	2.2
Canadian Large Cap Equity Pool (g)	540	1.6	374	1.4
Canadian Multi-Cap Pool (h)	362	1.1	244	0.9
Growing Equity Income Pool (i)	345	1.0	305	1.1
Tactical Asset Allocation Pool (m)	(312)	(0.9)	(268)	(1.0)
	5,757	16.9	4,344	16.1
United States Equities (Schedule 3)				
S&P 500 Pooled Index Fund (j)	4,402	12.9	3,597	13.3
Portable Alpha US Pool (k)	902	2.6	747	2.8
External Managers				
U.S. Mid/Small Cap Equity Pool (l)	718	2.1	582	2.1
Tactical Asset Allocation Pool (m)	315	0.9	269	1.0
Growing Equity Income Pool (i)	107	0.3	48	0.2
	6,444	18.9	5,243	19.4
Non-North American Equities (Schedule 4)				
External Managers				
EAFE Active Equity Pool (n)	4,959	14.5	3,768	14.0
EAFE Passive Equity Pool (o)	616	1.8	943	3.5
Emerging Markets Equity Pool (p)	345	1.0	257	0.9
EAFE Structured Equity Pool (o)	877	2.6	-	-
	6,797	19.9	4,968	18.4
Alternative Investments - Equities				
Absolute Return Strategy Pool (q)	164	0.5	175	0.7
Timberland Pool (r)	117	0.3	-	-
Private Income Pool	4	-	-	-
	285	0.8	175	0.7
Real Estate Equities (Schedule 5)				
Private Real Estate Pool (s)	2,374	6.9	1,580	5.8
Foreign Real Estate Pool	81	0.2	75	0.3
	2,455	7.2	1,655	6.1
Total equities	21,738	63.7	16,385	60.7
Total investments	**$ 34,118**	**100.0**	**$ 26,986**	**100.0**

Note 3 Investments (Schedules 1 to 5) (continued)

(a) The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years.

(b) The Canadian Dollar Public Bond Pool is managed with the objective of providing competitive returns comparable to the total return of the Scotia Capital Universe Bond Index over a four-year period while maintaining adequate security and liquidity of participants' capital. The portfolio is comprised of high quality Canadian fixed income instruments and debt related derivatives. Competitive returns are achieved through management of the portfolio duration and sector rotation.

(c) The Private Mortgage Pool is managed with the objective of providing investment returns higher than the Scotia Capital Universe Bond Index over the long term. The portfolio is comprised primarily of high-quality commercial mortgage loans and provincial bond residuals. In order to reduce risk, the pool only invests in loans insured by a federal agency and first-mortgage loans that provide diversification by property usage and geographic location.

(d) The Domestic Passive Equity Pooled Fund is managed on a passive approach with the objective of providing investment returns comparable to the total return of the Toronto Stock Exchange S&P/TSX Composite Index. The portfolio is comprised of both publicly traded Canadian equities and structured investments replicating the S&P/TSX Composite Index.

(e) The Canadian Pooled Equities Fund is managed with the objective of providing returns higher than the total return of the S&P/TSX Composite Index over a four year period while maintaining preservation of participants' capital. The portfolio is comprised of publicly traded equities in Canadian corporations and is designed to reduce risk by prudent security selection while maintaining sector neutral.

(f) The External Managers Canadian Equity Enhanced Index Pool consists of a single portfolio of publicly traded Canadian equities in the large cap market and is designed to generate a consistent level of investment return above the total return of the S&P/TSX Composite Index over a four-year period with relatively low risk.

(g) The External Managers Canadian Large Cap Equity Pool consists of multiple portfolios of publicly traded Canadian equities. Each portfolio is actively managed by an external manager with expertise in the Canadian large cap equity markets. The performance objective is to provide investment returns higher than the total return of the S&P/TSX Composite Index over a four-year period while reducing return volatility through multiple managers each of whom has a different investment style and market capitalization focus.

Note 3 Investments (Schedules 1 to 5) (continued)

(h) The Canadian Multi-Cap Pool consists of a single portfolio with multiple components. The large cap component is internally managed and provides exposure to the Canadian equity market through structured investments replicating the S&P/TSX 60 Index. The small/mid cap component is managed by an external manager with expertise in the Canadian small/mid cap markets. The performance objective is to provide investment returns higher than the total return of the S&P/TSX Composite Index over a four-year period.

(i) The Growing Equity Income Pool is managed with the objective of providing returns higher than the total return of the S&P/TSX Custom Dividend Index over a four-year period. The pool is intended to provide a steady stream of dividend income with potential for capital appreciation by investing in dividend-paying Canadian and US companies that exhibit attractive valuation, growth and quality financial characteristics.

(j) The S&P 500 Pooled Index Fund consist of publicly traded United States equities similar in weights to the Standard & Poor's S&P 500 Index. The pooled fund is passively managed by managers with expertise in the U.S. equity market. The performance objective is to provide investment returns comparable to the total return of the S&P 500 Index over a four-year period. The pool utilizes a combination of pure security replication and synthetic replication strategies to obtain exposure to the benchmark. To enhance investment returns with no substantial increase in risks, the pools also invest in futures, swaps and other structured investments.

(k) The Portable Alpha US Pool provides exposure to the United States equity market by replicating the S&P 500 Index with S&P 500 index swaps and futures contracts. Externally managed absolute return strategy investments and money market instruments are actively used as underlying securities to add value to the exposure. The performance objective is to provide returns higher than the S&P 500 Index over the long term.

(l) The External Managers U.S. Mid/Small Cap Equity Pool consists of multiple portfolios of publicly traded United States equities. The portfolios are actively managed by external managers with expertise in the U.S. mid/small cap equity markets. The performance objective is to provide returns higher than the total return of the Russell 2500 Index and/or the S&P 500 Total Return Index over a four-year period while reducing return volatility through multiple manager investment styles and unique market capitalization focus.

(m) The Tactical Asset Allocation Pool is managed with the objective of providing a quick, efficient and economical way to earn excess returns, on an opportunistic basis, by taking positions that effectively alter a portfolio's broad asset mix, or capitalize on significant anomalies in the market. The pool is comprised of synthetic instruments that increase the effective weight of a portfolio in one broad asset category while simultaneously decrease the effective weight in another broad asset category. As the pool is notionally a zero net investment portfolio, it has an absolute return of zero as its benchmark.

Note 3 Investments (Schedules 1 to 5) (continued)

(n) The External Managers EAFE (Europe, Australasia and Far East) Active Equity Pool consists of multiple portfolios of publicly traded Non-North American equities. Each portfolio is actively managed by an external manager and has constraints on foreign currency management, country allocation, stock selection and investments in emerging markets. The performance objective is to provide investment returns higher than the total return of the Morgan Stanley Capital International (MSCI) EAFE Index over a four-year period while reducing return volatility through multiple manager investment styles and market diversification.

(o) The External Managers EAFE Passive Equity Pool and the EAFE Structured Equity Pooled Fund's performance objective is to provide returns comparable to the total return of the MSCI EAFE index over a four-year period. The External Managers EAFE Passive Equity Pool consists of a single portfolio of Non-North American publicly traded equities similar in weights to the MSCI EAFE index. The EAFE Structured Equity Pooled Fund is internally managed and provides exposure to foreign markets in Europe, Australasia and the Far East through the use of structured investments such as foreign equity index swaps. The pooled fund also invests in the Floating Rate Note Pool to generate the floating rate cash flows needed for its equity swap obligations.

(p) The External Managers Emerging Markets Equity Pool consists of publicly traded equities in emerging markets around the world. The portfolios are actively managed by external managers with expertise in emerging markets. The performance objective is to provide returns higher than the total return of the Morgan Stanley Capital International Emerging Markets Free (MSCI EMF) Index over a four-year period.

(q) The External Managers Absolute Return Strategy Pool is managed by external managers with the objective of providing investment returns comparable to the Consumer Price Index plus 6%. The pool is intended to yield absolute positive investment returns with low volatility using various investment strategies.

(r) The Timberland Pool's performance objective is to provide a rate of return higher than the Consumer Price Index plus 4% over the long term. The pool invests in a partnership interest in forestry land in British Columbia.

(s) The Private Real Estate Pool is managed with the objective of providing investment returns higher than the Investment Property Databank (IPD) Large Institutional All Property Index over the long term. Real estate is held through limited partnerships and intermediate companies, which have issued to the Pool common shares and participating debentures secured by a charge on real estate. Risk is reduced by investing in properties that provide diversification by geographic location, by property type and by tenancy. The Pool is intended to provide diversification from the securities market.

Note 4 Investment Risk Management

Fair values of investments are exposed to credit risk and price risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk relates to the possibility that the investments will change in value due to future fluctuations in foreign exchange rates. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

Actuarial liabilities of the Plan are primarily affected by the long term real rate of return on investments. In order to earn the best possible return at an acceptable level of risk, a long term policy asset mix of 27% fixed income instruments and 73% equities has been established by Alberta Finance on behalf of the Plan. Investment risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions on amounts exposed to countries designated as emerging markets. Controls are in place respecting the use of derivatives (see Note 5). Forward foreign exchange contracts may be used to manage currency exposure in connection with securities purchased in foreign currency (see Note 5).

Note 5 Derivative Contracts

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates or currency rates. The Plan uses derivative contracts held indirectly through pooled investment funds to enhance return, manage exposure to credit, interest and foreign currency risks, and for asset mix management purposes. The notional value of a derivative contract represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows.

A swap is a contractual agreement between two counter-parties to exchange a series of cash flows based on a notional amount. An equity or bond index swap involves the exchange of a floating interest rate cash flow for one based on the performance of a market index. For interest rate swaps, parties generally exchange fixed and floating rate interest cash flows based on a notional amount. For credit default swaps, parties buy and sell insurance against credit risks inherent in bonds. Periodic payments, based on a notional amount, are exchanged for a contingent payment following a defined credit event of a reference entity. Cross-currency interest rate swaps are contractual obligations in which the principal amounts of Canadian fixed-income securities denominated in foreign currency are exchanged for Canadian currency amounts both initially and at maturity. Over the term of the cross-currency swap, counter-parties exchange fixed to fixed and fixed to floating interest rate cash flows in the swapped currencies.

Note 5 Derivative Contracts (continued)

There are underlying securities supporting all swaps. Leveraging is not allowed.

Forward foreign exchange contracts are agreements to exchange specified currencies at an agreed upon exchange rate and on an agreed settlement date in the future.

Equity index futures contracts are agreements to receive or pay cash on an agreed settlement date based on changes in the level of a specified stock index in the future.

The following is a summary of the Plan's proportionate share of the notional amount and fair value of derivative contracts held by pooled funds at March 31, 2006:

	Maturity			2006		2005	
	Under 1 Year	1 to 3 Years	Over 3 Years	Notional Amount	Net Fair Value (a)	Notional Amount	Net Fair Value (a)
	%			($ thousands)			
Equity index swap contracts	72	28	-	$ 6,089	$ 114	$ 3,485	$ 7
Credit default swap contracts	2	4	94	3,258	8	299	3
Interest rate swap contracts	44	42	14	2,637	(5)	1,092	(27)
Forward foreign exchange contracts	100	-	-	1,957	(2)	846	9
Cross-currency interest rate swap contracts	12	32	56	1,813	133	1,437	-
Equity index futures contracts	100	-	-	1,708	36	664	14
Bond index swap contracts	100	-	-	609	64	159	1
				$ 18,071	$ 348	$ 7,982	$ 7

(a) The method of determining fair value of derivative contracts is described in Note 2 (e).

The notional amounts, upon which payments are based, are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position (positive fair value). The Plan attempts to limit its credit exposure by dealing with counter-parties believed to have good credit standing.

Note 6 Accrued Long Term Disability Benefits

(a) Actuarial Valuation

An actuarial valuation of the Plan was carried out as at March 31, 2006 by Johnson Inc. The 2006 valuation resulted in an actuarial surplus of $8.3 million as disclosed in the statement of net assets available for benefits and accrued long term disability benefits.

Note 6 Accrued Long Term Disability Benefits (continued)

(a) Actuarial Valuation (continued)

The accrued long term disability benefits as at March 31, 2006 was determined using the projected benefit method based on estimates of the Plan's Disabled Life Reserve and the Incurred But Unreported Reserve. The assumptions used in the valuation were developed as the best estimate of expected short and long term market conditions and other future events. These estimates were, after consultation with the Plan's actuary, adopted by the Public Service Commissioner. The major assumptions used were:

	2005 Valuation	2005 Valuation
	%	
Interest discount rate	6.5	6.5
Continuance rates		
Based on the 1984 Commissioner's Group Disability Table	Modified*	Modified*
Incurred but unreported reserve factor		
As percentage of premiums	35	35

* The rates have been modified by both age and duration to reflect adjudication practices and claims termination experience respecting disability definition specific to this plan.

The Disabled Life Reserve is an estimate of the value of future payments to be made over the life of incurred claims, discounted to a current value using a rate of 6.5%.

The Incurred But Unreported Reserve is an estimate of the value of the financial impact of claims that are either unreported or not approved at the fiscal year end, but which will ultimately be accepted for benefits. Based on a review of historical reserves, the actuary determined a reserve factor of 35% of premiums was appropriate for estimating the reserve amount.

The following statement shows the principal components of the change in the value of accrued long term disability benefits:

Note 6 Accrued Long Term Disability Benefits (continued)

(a) Actuarial Valuation (continued)

	2006	2005
	($ thousands)	
Accrued long term disability benefits at beginning of year	$ 23,688	$ 21,655
Interest accrued on benefits	1,540	1,516
Change in actuarial assumption of interest discount rate	-	517
Net experience gains	(1,135)	(923)
New claims	7,841	5,618
Terminations	(6,232)	(4,695)
Accrued long term disability benefits at end of year	**$ 25,702**	**$ 23,688**

(b) Sensitivity of Changes in Major Assumptions

The Plan's future experience will inevitably differ, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations and will affect the financial position of the Plan.

As at March 31, 2006, holding the continuance rates and incurred but unreported reserve factor constant, a 0.5% decrease in the assumed interest discount rate would reduce the actuarial surplus of the Plan by $0.6 million.

Note 7 Net Investment Income

(a) Net investment income is comprised of the following:

	2006	2005
	($ thousands)	
Net realized and unrealized gains on investments including those arising from derivative transactions	$ 2,971	$ 751
Interest income	756	617
Dividend income	263	234
Real estate operating income	112	69
Securities lending income	9	6
Pooled funds management and associated custodial fees	(40)	(35)
	$ 4,071	**$ 1,642**

Note 7 Net Investment Income (continued)

(b) The following is a summary of the Plan's proportionate share of net investment income by type of investments:

	2006	2005
	($ thousands)	
Fixed Income Securities	$ 564	$ 519
Canadian Equities	1,377	623
Foreign Equities		
United States	454	(72)
Non-North American	1,278	347
Alternative Investments	(1)	10
Real Estate	399	215
	$ 4,071	**$ 1,642**

(c) The Plan uses the time-weighted rate of return based on market values to measure performance. The measure involves the calculation of the return realized by the Plan over a specified period and is a measure of the total proceeds received from an investment dollar initially invested. Total proceeds include cash distributions (interest and dividend payments) and capital gains or losses (realized and unrealized).

The time-weighted rate of return measures the compounded rate of growth of the initial investment over the specified period. It is designed to eliminate the effect that the size and timing of cash flows have on the internal rate of return. The investment industry uses time-weighted rates of return calculated using market values when comparing the returns of funds with other funds or indices.

Note 7 Net Investment Income (continued)

Investment returns for the Plan for the one-year and four-year periods ended March 31, 2006 are as follows:

	One Year Return				4 Year Compound Annualized
	2006	2005	2004	2003	Return
Time-weighted rates of return					
Short-term fixed income	**3.0**	2.6	3.1	3.0	**2.9**
Scotia Capital 91-Day T-Bill Index	*2.8*	*2.2*	*3.0*	*2.7*	*2.7*
Long-term fixed income	**5.7**	5.6	11.6	9.7	**8.1**
Scotia Capital Universe Bond Index	*4.9*	*5.0*	*10.8*	*9.2*	*7.4*
Canadian equities	**29.0**	15.4	36.6	(17.4)	**13.8**
Toronto Stock Exchange S&P/TSX Composite Index	*28.4*	*13.9*	*37.7*	*(17.6)*	*13.5*
United States equities	**8.4**	(1.7)	22.0	(30.7)	**(2.6)**
Standard & Poor's 1500 Index	*9.1*	*(1.0)*	*20.5*	*(30.7)*	*(2.6)*
Non-North American equities	**23.7**	7.4	40.9	(29.1)	**7.4**
MSCI EAFE Index	*20.0*	*6.2*	*40.5*	*(29.3)*	*6.1*
Alternative Investments	**(0.5)**	**n/a**	**n/a**	**n/a**	**n/a**
Combined benchmark	*8.9*	*n/a*	*n/a*	*n/a*	*n/a*
Real Estate	**20.7**	16.9	7.5	9.8	**12.9**
Real Estate Index	*18.1*	*7.1*	*5.7*	*8.8*	*9.8*
Overall	**14.6**	**6.8**	**22.7**	**(10.7)**	**7.6**
Policy Benchmark	*13.4*	*5.6*	*22.1*	*(11.4)*	*6.7*

Note 8 Administration Expenses

	2006	2005
	($ thousands)	
Investment management, actuarial fees and other services	$ 44	$ 36
General administration costs	33	31
	$ 77	**$ 67**

Investment management fees were paid to Alberta Finance and do not include custodial and pooled fund management fees, which have been included in the calculation of net investment income (see Note 7(a)).

Accommodation and legal costs incurred on behalf of the Plan by the Government of Alberta have not been included in the Plan's expenses. These costs are recorded by the Government of Alberta and are not recovered from the Plan.

Note 9 Comparative Figures

Comparative figures have been reclassified to be consistent with 2006 presentation.

Note 10 Approval of Financial Statements

These financial statements were prepared by management and approved by the Public Service Commissioner.

Schedule 1

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED
SCHEDULE OF INVESTMENTS IN FIXED INCOME SECURITIES
March 31, 2006

	Plan's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 1,098	$ 1,158
Fixed Income Securities (a)		
Public		
Government of Canada, direct and guaranteed	2,692	2,451
Provincial, direct and guaranteed		
Alberta	58	5
Other	1,812	1,975
Municipal	49	104
Corporate, public and private	6,531	4,842
	11,142	9,377
Receivable from sale of investments and accrued investment income	238	113
Liabilities for investment purchases	(98)	(47)
	140	66
	$ 12,380	**$ 10,601**

(a) Fixed income securities held as at March 31, 2006 had an average effective market yield of 4.78% per annum (2005 4.46% per annum). The following term structure of these securities as at March 31, 2006 was based on principal amount:

	2006	2005
	%	
Under 1 year	3	3
1 to 5 years	31	35
6 to 10 years	35	33
11 to 20 years	12	12
Over 20 years	19	17
	100	**100**

Schedule 2

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED SCHEDULE OF INVESTMENTS IN CANADIAN EQUITIES

March 31, 2006

	Plan's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 29	$ 34
Public Equities (a) (b)		
Consumer discretionary	298	277
Consumer staples	169	189
Energy	1,599	883
Financials	1,709	1,391
Health care	61	59
Industrials	344	234
Information technology	232	233
Materials	844	618
Telecommunication services	268	268
Utilities	57	61
	5,581	4,213
Small Cap pooled fund	109	74
	5,690	4,287
Receivable from sale of investments and accrued investment income	132	71
Liabilities for investment purchases	(94)	(48)
	38	23
	$ 5,757	**$ 4,344**

(a) The Plan's net investment in Canadian public equities includes the fair value of deposits and floating rate notes, totalling $2,227,000 (2005 $1,769,000), which were used as underlying securities to support the notional amount of Canadian equity index swap contracts.

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Toronto Stock Exchange S&P/TSX Composite Index.

Schedule 3

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED SCHEDULE OF INVESTMENTS IN UNITED STATES EQUITIES

March 31, 2006

	Plan's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 21	$ 74
Public Equities (a) (b)		
Consumer discretionary	671	616
Consumer staples	545	492
Energy	604	453
Financial	1,356	1,042
Health care	818	675
Industrials	790	651
Information technology	983	788
Materials	222	203
Telecommunication services	187	144
Utilities	202	184
	6,378	5,248
Receivable from sale of investments and accrued investment income	214	40
Liabilities for investment purchases	(169)	(119)
	45	(79)
	$ 6,444	**$ 5,243**

(a) The Plan's net investment in United States public equities includes the fair value of deposits and floating rate notes, totalling $3,371,000 (2005 $2,380,000), which were used as underlying securities to support U.S. equity index swap contracts.

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Standard & Poor's S&P 500 Index.

Schedule 4

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED SCHEDULE OF INVESTMENTS IN NON-NORTH AMERICAN EQUITIES

March 31, 2006

	Plan's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 150	$ 95
Public Equities (a) (b)		
Consumer discretionary	775	641
Consumer staples	394	281
Energy	487	420
Financial	1,892	1,262
Health care	456	291
Industrials	867	580
Information technology	440	244
Materials	528	421
Telecommunication services	357	408
Utilities	285	209
	6,481	4,757
Emerging markets pooled funds	134	107
Receivable from sale of investments and accrued investment income	152	61
Liabilities for investment purchases	(120)	(52)
	32	9
	$ 6,797	**4,968**

(a) The Plan's net investment in Non-North American public equities includes the fair value of deposits and floating rate notes, totalling $838,000 (2005 $nil), which were used as underlying securities to support the notional amount of Non-North American equity index swaps and futures contracts.

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Standard & Poor's S&P 500 Index. The following is a summary of the Plan's share of Non-North American public equities by country based on geographic location of stock exchange on which stocks were purchased:

	Plan's Share	
	2006	2005
	($ thousands)	
Japan	$ 1,524	$ 826
United Kingdom	1,284	1,027
France	661	472
Germany	444	339
Switzerland	439	301
Netherlands	333	257
Australia	245	215
Italy	209	184
Spain	182	139
Sweden	135	127
Other	1,025	870
	$ 6,481	**$ 4,757**

Schedule 5

LONG TERM DISABILITY INCOME CONTINUANCE PLAN
MANAGEMENT, OPTED OUT AND EXCLUDED
SCHEDULE OF INVESTMENTS IN REAL ESTATE

March 31, 2006

	Plan's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 1	$ 1
Real Estate (a)		
Office	1,174	719
Retail	785	639
Industrial	247	125
Residential	107	71
	2,313	1,554
Foreign Private Real Estate Pool	81	75
Participation units	55	23
Receivable from sale of investments and accrued investment income	5	2
	$ 2,455	**$ 1,655**

(a) The following is a summary of the Plan's investment in real estate by geographic locations:

	Plan's Share	
	2006	2005
	($ thousands)	
Ontario	$ 1,408	$ 1,034
Alberta	647	323
Quebec	212	163
British Columbia	46	34
	$ 2,313	**$ 1,554**

Workers' Compensation Board

Other Financial Information – Financial Statements

- Management Discussion and Analysis of 2005 Financial Statements and Operating Results
- Responsibility for Financial Reporting
- Actuaries' Report
- Auditor's Report
- Balance Sheet
- Statement of Operations
- Statement of Comprehensive Income
- Statement of Changes in Funded Position
- Statement of Cash Flows
- Notes to the Financial Statements
- Schedule A – Salaries and Benefits

Workers' Compensation Board

Financial Statements

Management Discussion and Analysis of 2005 Financial Statements and Operating Results

For the year ended December 31, 2005

The Management Discussion and Analysis (MD&A) provides management's perspectives on key issues that affect current and future performance of The Workers' Compensation Board of Alberta (WCB-Alberta, WCB). The MD&A, prepared as at March 15, 2006, should be read in conjunction with the audited financial statements and accompanying notes and schedule for the year ending December 31, 2005.

Unless otherwise indicated, all amounts shown are in millions of Canadian dollars.

Overview of 2005 Operations

Continued growth in the provincial and global economies, coupled with sound disability management practices, led to another year of significant financial achievement for WCB-Alberta. Total revenue of $1,536.9 million, offset by total expenses of $951.3 million, yielded an operating surplus of $585.6 million. These operating results pushed the Funded Position to $1,526.2 million or 132.4%, after declaration of a special dividend of $433.0 million.

Driven by rising global commodity markets, the Alberta economy expanded considerably in 2005 creating employment earnings growth of 4.7%. The corresponding increase in insurable earnings of 11.6% pushed premium revenue up 4.6% to $978.9 million. Strong investment markets coupled with gains realized from portfolio asset mix rebalancing drove investment income up from $224.3 million for 2004 to $556.2 million for 2005. Together, these factors contributed to total revenues of $1,536.9 million, an increase of $373.4 million or 32.1% over 2004.

Although total claim costs of $861.0 million increased $35.2 million or 4.3% over the previous year, processed claims costs and related administration for the current year actually fell by $7.7 million or 1.2%, against a 3.1% increase in claims volume related to employment growth. This achievement can be attributed to sound claims management and return to work initiatives. However, changes in actuarial assumptions, primarily due to escalation in the future cost of health care, resulted in claim benefit liability adjustments being $42.8 million higher than 2004, offsetting the cost savings. Administration and other expenses of $90.3 million brought total expenses to $951.3 million or 4.4% higher than 2004.

The 2005 operating surplus of $585.6 million represents an increase of 132.0% over the $252.4 million surplus in 2004.

The key factors contributing to this surplus are as follows:

2005 Operating Highlights

Significant Contributing Factors	2005	2004	Change
Premiums			
Gain in premium revenue resulting from the actual premium rate collected of $1.83 (2004 - $1.96) being higher than the required premium rate of $1.41 (2004 - $1.51) based on insurable earnings	$ 225.0	$ 214.9	$ 10.1
Investments			
Net surplus (deficiency) of investment income over the interest requirement on the claim benefit liability	332.8	(18.8)	351.6
Claim benefit liabilities			
Changes in actuarial methods and assumptions	(91.2)	(88.6)	(2.6)
Actuarial adjustments due to claims experience	121.0	147.9	(26.9)
Other revenue (expense) items	(2.0)	(3.0)	1.0
Operating surplus	**$ 585.6**	**$ 252.4**	**$ 333.2**

At the highest and simplest level, the WCB is involved in two primary and complementary business activities: customer operations and asset-liability management.

Customer operations – the primary WCB business – is to provide no-fault disability insurance for workplace injuries. Operationally, the key business processes include assessment and collection of premiums from employers, payment of compensation benefits to injured workers, and return to work services, in accordance with WCB's legislated mandate.

Asset-liability management is a financial risk management approach that integrates the management of assets and liabilities to generate an adequate return on invested assets to pay for the liability obligations.

Customer Operations

PREMIUMS

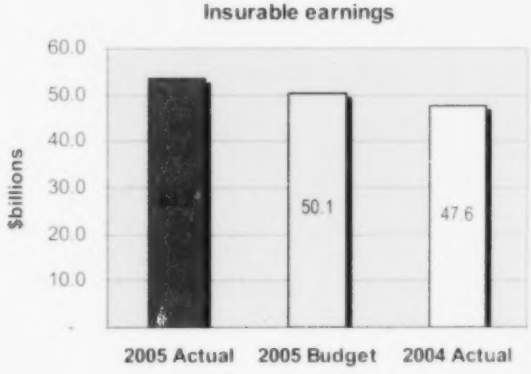
Insurable earnings

↗ $3.1 billion (6.1%) over budget

Alberta's strong resource sector and continuing employment and wage growth pushed 2005 actual insurable earnings to $53.2 billion compared to budget of $50.1 billion. Mining/Oil and Gas and Business/Professional Services sectors experienced the largest variance from forecast.

↗ $5.6 billion (11.6%) over prior year

Alberta's economic growth rate in 2005 was the key driver for the 11.6% increase, with Construction and Mining/Oil and Gas sectors leading the way at 18.4% and 13.0% respectively.



2005 Operating Highlights

Significant Contributing Factors	2005	2004	Change
Premiums			
Investments			
Claim benefit liabilities			
Other revenue (expense) items			
Operating surplus	$ 955.6	$ 252.4	$ 703.2

Customer Operations

PREMIUMS

Insurance earnings

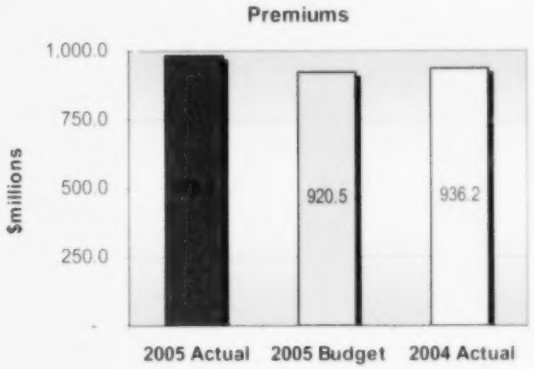
Premium revenue

↗ $58.4 million (6.3%) over budget

Total premium revenues were $978.9 million in 2005 compared to budget of $920.5 million. The increase stemmed primarily from a higher than expected increase in insurable earnings.

↗ $42.7 million (4.6%) over prior year

Compared to 2004, the increase in premium revenues from $936.2 million to $978.9 million was due to wage and employment growth, primarily in the Construction and Retail Trade sectors.



PREMIUM RATES

Total revenue requirements for premium rate-setting purposes based on projected operating expenses for the fiscal year, and are comprised of fully funded costs of claims arising in the current year, administration costs related to those claims, general administration expenses for WCB operations, and transfer levies. The aggregate of these costs plus funding requirements, if any, represent the total revenue requirements used for annual rate- setting purposes.

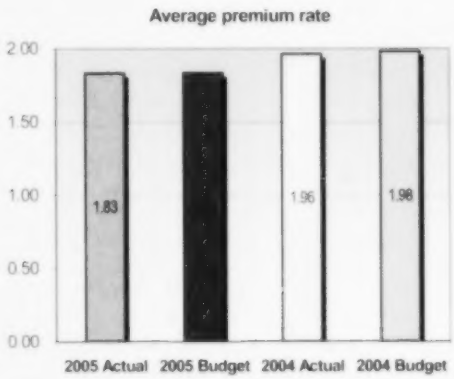
Average Premium Rate

– No variance to budget

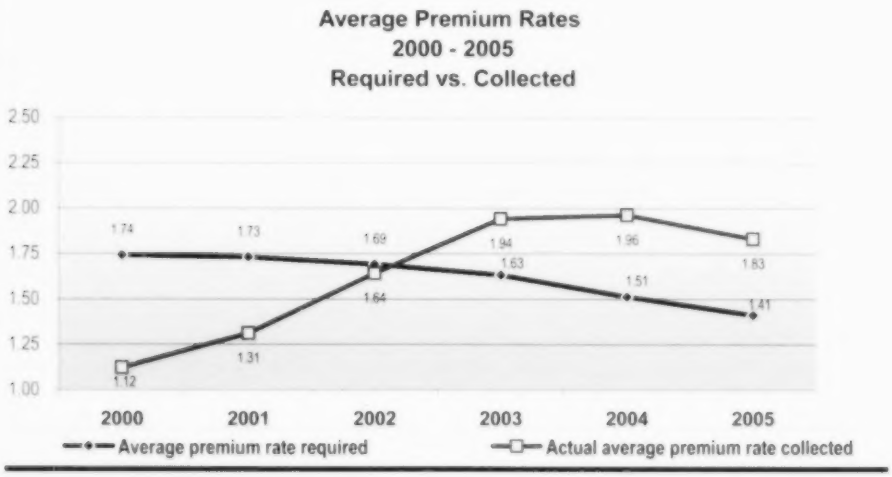
The actual average rate was the same as budget ($1.83) due to relatively consistent wage growth in 2005 across all industries, in contrast to 2004 when higher growth in lower rated industries resulted in an average actual average rate that was $0.02 lower than budget.

↘ $0.15 (7.6%) budget reduction from prior year

The reduction from $1.98 to $1.83 in the average budget rates arose from reductions in the required rate for claims ($0.09), administration ($0.01), and the contribution to the fund balance ($0.05).



The table below presents a 6-year trend comparison of required to collected premium rates. From 2000 to 2001, the shortfall in the required rate represents discounting using investment gains. Premium rates are no longer discounted by investment gains as the Funding Policy requires that the rate and resulting revenue cover the total current year fully-funded claim costs.



When the 2005 premium rates were being set, the Fund Balance was below the Funding Policy requirements. To achieve fully funded status, the Funding Policy called for a $0.23 levy to be included in the average rate to replenish the Fund Balance.

For 2006, the budgeted average premium rate, based on fully-funded claim costs, decreased by 14.2% to $1.57.

CLAIM COSTS

Claim costs are an estimate of the combination of costs arising from compensable injuries occurring in 2005, claim benefit liability adjustments related to prior year injuries, and claim related administration costs

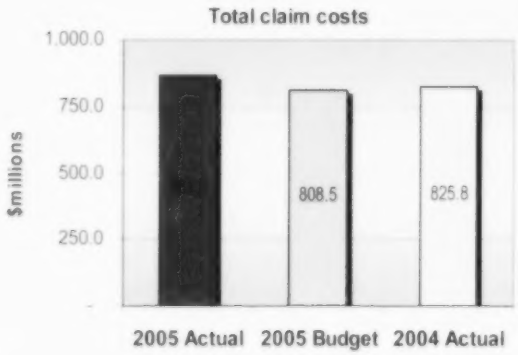
Total claim costs

↗ $52.5 million (6.5%) over budget

Cost savings from sound management of current and prior year claims expenditures were more than offset by a significant increase in claim benefit liability adjustments resulting from changes in assumptions relating to future health care costs.

↗ $35.2 million (4.3%) over prior year

As with budget, claim costs were higher than prior year due to claim benefit liability adjustments.



Compensation benefit costs

Day to day management of current and prior year claims yielded $12.5 million in Temporary Total Disability budget savings. This reduction resulted from effective case management, expedited medical treatment, utilization of modified work, and coordinated return-to-work planning leading to successful claims resolution. The focus on claim resolution and return to work resulted in the elapsed average time from accident to return to

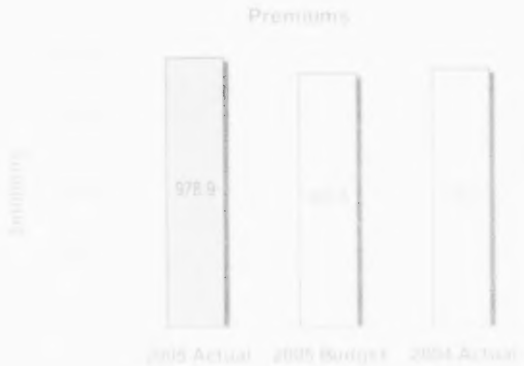
Premium revenue

↗ $93.2 million (10%) over budget

Total premium revenue was $1,078.9 million in 2005 compared to budget of $985.7 million. The increase comprised primarily higher than expected levels of new and renewable business.

↗ $147.7 million (16%) over prior year

Compared to 2004, the increase in premium revenue from $931.2 million to $1,078.9 million was driven by new and renewal business growth, primarily in the Commercial and Retail Trade sectors.



PREMIUM RATES

Premium rates are set to reflect the risk profile of each policy written. Premium rates are determined by a number of factors, including the claims history of the insured, the insured's industry, the location of the insured's operations, the insured's selected limit of liability and deductible, the coverage provided and the insured's loss control practices. The aggregate of these factors produces a premium rate. Each year, premium rates are reviewed and revised as necessary.

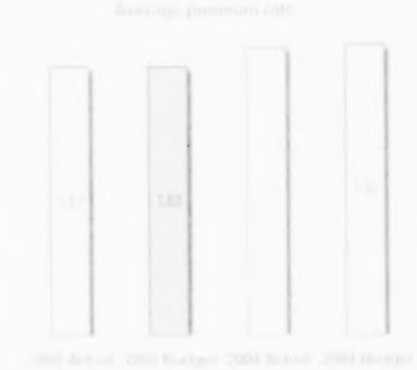
Average Premium Rate

→ No change to budget

The overall average rate is unchanged from budget. Premium rate increases in the Commercial Trade sector were offset by rate decreases in the Commercial Specialty sector. The Commercial Specialty sector's rate decreases were driven by a change in the mix of business written, which resulted in an increase in the number of risks insured but a decrease in the average premium per risk.

↘ $0.15 (1%) reduction from prior year

The reduction from $0.98 in 2004 to $0.97 in 2005 is driven by the same factors as the budget variance described above.



Average Premium Rates
2000 - 2005
Required vs. Collected

CLAIM COSTS

Total claim costs

Compensation benefit costs

Asset-Liability Management

FUNDING POLICY

work reducing to 36.3 days, one of our lowest averages on record. Successful outcomes from efforts to reduce duration offset the effects of higher claim volume and wage inflation costs for 2005. In fact, time lost claim volume grew 3.1% for the year.

Although Temporary Total Disability costs were below expectations, $91.2 million was added to 2005 claim costs due to changes in actuarial assumptions primarily relating to the cost of future health care inflation and utilization. Had these assumptions remained unchanged, 2005 claim costs would have been approximately $56.0 million ($91.2 million less $35.2 million) lower than 2004 costs.

Claim volume

Lost-time claim volume of 37,100 for 2005 is 3.1% higher than 2004 (36,000) based on a refined lost-time claim definition. This volume increase reflects a higher number of covered workers due to the expanding Alberta economy.

Injury prevention initiatives and growth in modified work cases (up 22.0% in 2005) continue to help limit increases in LTC volume. In comparison to the 2005 LTC projected rate of 2.41 claims per 100 workers, the disabling injury rate (LTC + Modified Work Cases = Disabling Injuries) remains considerably higher at 4.04 disabling injuries per 100 workers, up slightly from 3.96 in 2004.

ADMINISTRATION

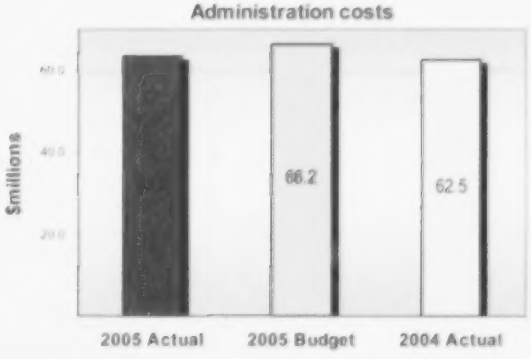
↘ $3.0 million (4.5%) under budget

Administration costs of $63.2 million were 4.5% under budget, primarily due to effective expenditure management and lower capital asset amortization costs.

↗ $0.7 million (1.1%) higher than prior year

The 1.1% increase over 2004 is primarily due to inflationary impacts on operating expenses.

Administration expenses exclude claim-related administration costs (2005 - $62.8, 2004 - $62.8) which are included in claim costs.



Asset-Liability Management

Building on strong operating results and a healthy balance sheet at the end of 2004, WCB implemented an innovative financial strategy in 2005 to ensure long-term fiscal stability of the compensation system. This new direction adopts an integrated approach to financial risk management by aligning the management of investments with management of claim benefit liabilities. Asset-liability management establishes the appropriate amount, mix, and duration of investment assets, given a specified level of risk, to generate a return that is sufficient to fund the interest requirement of the claim benefit liability over the long term.

FUNDING POLICY

The foundation of the new financial management strategy is the asset-liability study completed early in 2005. WCB undertook a comprehensive review of its funding approach with a mandate to preserve the long-term financial health of the workers' compensation system and to recommend funding rule changes consistent with WCB's risk tolerance. The existing Funding Policy was substantially revised to deal with increased volatility resulting from recent accounting standards changes. In developing the new Funding Policy, management

applied criteria such as governance, education, transparency, and stakeholder support to evaluate the effectiveness of the policy. The resulting funding approach necessitated complementary revisions to the existing Investment Policy. After extensive stakeholder consultation and analysis of the potential financial impacts, the Board of Directors approved the revised Funding Policy late in 2005. The Board also ratified the implementation of the Funding Policy, which became the strategic foundation for the 2006 – 2010 financial plan.

Funding Policy: principals and objectives

The strategic aim of funding and investment policies is to strive for balance between financial risk and volatility and the investment returns. Specifically, the updated Funding Policy embodies these financial objectives:

- Minimizing the risk of becoming unfunded.
- Minimizing cost volatility to employers.
- Minimizing the total cost charged to employers.

The funding strategies that evolved from these objectives address those risks that may affect the financial stability of WCB, primarily investment volatility. Innovative asset-liability management strategies, such as the funding policy rules, are in place to minimize these risks, with ongoing monitoring and evaluation to ensure that they continue to respond effectively to changing economic conditions.

Funding Policy rules

The most significant changes to funding rules/practices under the new Funding Policy are:

- Established a minimum premium cost to employers at 60% of industry-rated premiums.
- Defined target ranges rather than a specific target to guide funding decisions. Multiple target ranges accommodate volatility at various funded levels.
- Developed a surplus distribution strategy and methodology aligned with the new target ranges.

Funding sources

In addition to short-term premium levies to restore the Funded Position to target levels, there are two other sources of long-term funding for the Accident Fund:

- Operating surpluses that are reinvested in the business to provide Fund stability.
- Unrealized net gains from holding investment assets to discharge future liabilities.

On the balance sheet, the Accident Fund represents all the assets of WCB available to discharge its legislative mandate. The allocation of assets to each of the WCB's fiduciary obligations is expressed as a percentage of total liabilities:

- Minimum assets required for payment of current and future compensation and related administration costs (target level 100%).
- Assets retained in Fund Balance to lessen the risk of becoming unfunded (target level 16%).
- Assets reserved in the Occupational Disease Reserve (ODR) to provide for significant unforeseen future costs related to latent occupational injury or disease (target level 6%).

The target funding range is between 116% and 122%. Surplus assets exceeding the 122% funding level are available for distribution to employers whereas a deficiency of assets below 116% would require replenishment levies.

INVESTMENT POLICY

The change to fair value accounting for investments, completion of the Asset-Liability Study in early 2005, and a comprehensive review of financial strategy culminated in the new Funding Policy and a new Investment Policy. The new Investment Policy contains the goals and objectives and the target asset mix for the portfolio, both key outcomes from the Asset-Liability Study. The Investment Policy also describes the permitted investments, constraints, and controls for management of the portfolio consistent with the expectations of the Board of Directors.

With the new Investment Policy in place, the 2005 – 2007 Investment Management Strategic Plan was developed and approved during 2005. The new investment philosophy, which is focused on minimizing volatility while maximizing returns, entails a shift towards a more conservative asset mix and the adoption of an active risk management strategy. Operationally, the portfolio will be restructured to generate returns that are more predictable and consistent, such that investment earnings will exceed the actuarial required rate of return with greater certainty over the long term.

INVESTMENTS

In 2005, investment returns were a key driver of WCB's strong financial performance. The following discussion provides an overview of the economic and market forces that had a direct impact on WCB's investment portfolio and returns.

Capital markets overview

For most of the year, capital markets saw mixed performance, with a late year rally pushing returns above expectations for 2005. In the first half of 2005, market gains stabilized following the recovery of 2004. Sustained growth in the economies of China and India exerted strong pressure on global prices for materials and energy. In the aftermath of the disastrous hurricane season in the Gulf region, disruption of oil production caused energy prices to spike, boosting the earnings outlook for energy stocks. The announcement of a cut in the dividend tax rate, signaling a reversal on the income trust tax position, preceded the end of year upturn in Canadian equities. Inflationary pressure exerted by sustained economic growth, together with continuing employment strength and commodity prices, resulted in most central banks raising interest rates, driving up short-term bond yields.

Asset mix

Asset mix is the primary driver of portfolio risk and return. Through the second half of 2005, the asset mix was gradually moved towards the new policy targets. The recommendations of the Asset-Liability Study with respect to an optimum portfolio structure and target asset allocations are integral to the new Investment Policy for implementation through the 2005 – 2007 Investment Management Strategic Plan. The current investment philosophy requires the portfolio to earn the actuarial required rate of return (3.25%) with a higher degree of certainty, i.e. to minimize the risk of underperformance. Accordingly, the Investment Management Strategic Plan will implement the recommended asset mix, reducing equities from 55% to 44%, and increasing bonds from 40% to 47% and real estate from 3% to 8%. The new asset mix will generate a higher ratio of stable fixed and real estate income, with a corresponding decrease in less certain dividend income and capital gains.

The portfolio will continue to be rebalanced towards the Investment Policy targets in 2006 with the majority of the move from equities to bonds completed by year-end. The increased allocation to real estate will take several years to implement.

2005 Asset Mix vs. Policy Mix

Asset Class	Actual Mix	Current Target Mix	Difference	Future Target Mix	Difference
Cash and cash equivalents	0.9%	1.0%	(0.1%)	1.0%	(0.1%)
Conventional bonds	35.8%	35.0%	0.8%	39.0%	(3.2%)
Real return bonds	6.4%	8.0%	(1.6%)	8.0%	(1.6%)
Real estate	3.5%	3.0%	0.5%	8.0%	(4.5%)
Canadian equity	18.2%	18.5%	(0.3 %)	10.0%	8.2%
Global equity	30.5%	30.0%	0.5%	30.0%	0.5%
Emerging markets equity	4.7%	4.5%	0.2%	4.0%	0.7%
	100.0%	100.0%		100.0%	

Currency hedging

The restructured portfolio includes a passive currency overlay to hedge the currency exposure in the global equity asset class. Fifty percent (+/- 10%) of the foreign currency exposure assumed through the global equity asset class will be hedged back to Canadian dollars. Research supports a 50% threshold as an optimal hedge to reduce short-term volatility.

The hedging strategy is designed to reduce volatility. It is not designed to increase portfolio returns nor undertaken for speculative reasons. Hedging transactions are executed through an external overlay manager. The currency overlay is independent of the underlying foreign equity managers, and the performance impact is clearly separated. The hedge is executed through the purchase of currency forward contracts on the US dollar, the Euro, and the other major currencies reflected in the underlying foreign equity mandates.

Portfolio performance

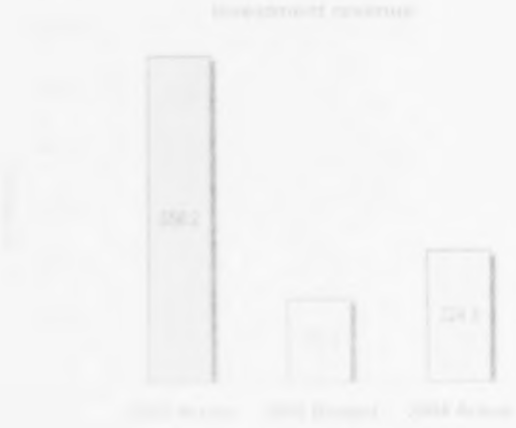
Market returns
The portfolio earned a nominal market rate of return of 13.0% for 2005. This is well above long-term expectations of 7.1% per annum. The primary goal of the investment portfolio is to earn a real rate of return that meets or exceeds the actuarial discount rate. On this basis, the real rate of return of 10.6% (nominal rate of 13.0% less inflation of 2.4%) was well above the actuarial discount rate of 3.25%.

Benchmark returns
The benchmark return is comprised of benchmark index returns for each asset class, weighted by the policy asset mix. Performance vs. the benchmark is a relative measure of success in implementing the investment program through active management. The portfolio rate of return was 0.7% above the benchmark rate of return of 12.3% for 2005. The portfolio slightly underperformed the Canadian equity benchmark due to a more defensive strategy in a concentrated, volatile market. The Canadian equity relative underperformance was more than offset by outperformance in international equities and emerging market equities.

Investment revenue

Fixed income
Higher income from bonds is primarily attributable to realized gains within the fixed income portfolios. Bond prices have moved consistently higher over the last several years, which provides for realized gains with normal portfolio trading.

Investment revenue



CLAIM BENEFIT LIABILITIES

Changes in actuarial assumptions

Impact of actuarial changes

Claims experience

Equities
All equity classes, and Canadian and emerging market equities in particular, performed well during the year, attributable to sustained growth in the Asian economies that drove up demand for commodities. The strong equity markets provided for significant realized gains from normal portfolio trading and rebalancing towards the new asset mix targets.

Real estate
The real estate portfolio, exclusively invested in Canadian real estate, continues to perform above expectations due to strong demand for quality assets outstripping available supply in a tight market.

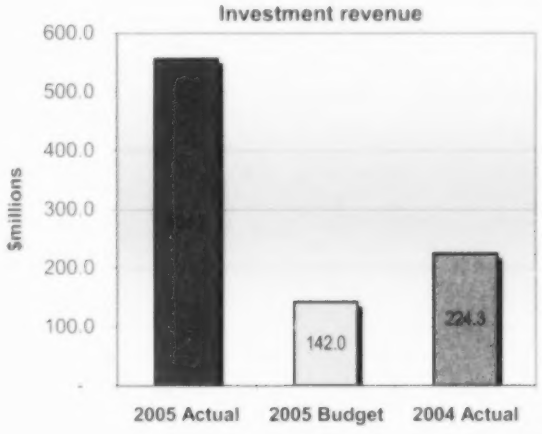
Investment revenue

↗ $414.2 million (291.7%) over budget

2005 performance reflects accrued gains released from Accumulated Other Comprehensive Income (AOCI) through portfolio management activities, as well as market strength in both fixed income and equity classes. $225.1 million of the budget variance relates to realized gains, while higher bond and dividend income were responsible for $189.1 million of the increase.

↗ $331.9 million (147.9%) over prior year

As with budget, the increase over 2004 is due to accrued gains being realized through portfolio management activities.



CLAIM BENEFIT LIABILITIES

At the end of each fiscal year, WCB determines its claim benefit liabilities for all injuries that have taken place up to that date. These liabilities represent the actuarial present value of all future benefit costs. Liabilities of self-insured employers are not included. As at December 31, 2005, claim benefit liabilities aggregated to $4,165.2 million, an increase of $244.6 million or 6.2% over the previous year.

Changes in actuarial assumptions

The real discount rate of 3.25% remains unchanged for 2005. The health care inflation rate increased from 6.00% to 6.75% due to increasing use of more advanced medical treatment, coupled with inflationary pressure on the health care system.

Impact of actuarial changes

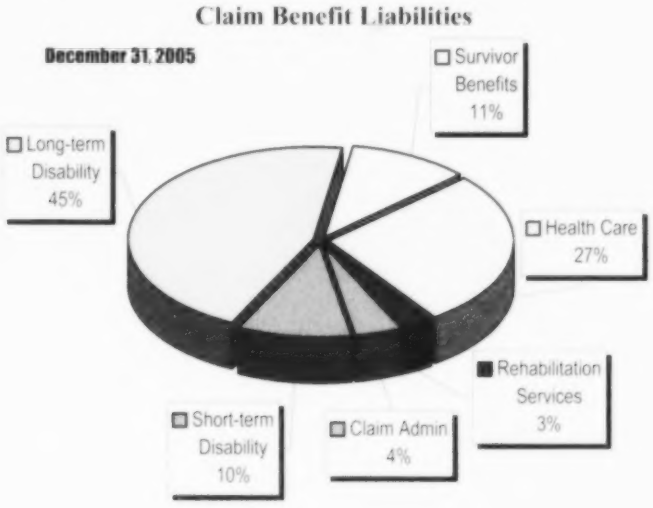
Changes in methods and assumptions increased the claim benefit liabilities by $111.0 million of which $91.2 million related to prior year's injuries. The most significant change was to the health care inflation rate assumption, which increased from 6.00% to 6.75%.

Claims experience

Actuarial or claims experience gains were $29.8 million, a decrease in experience gains of $29.5 million from 2004 arising largely from higher than expected claim volumes and payments related to cost inflation. Successful claim resolution continues to have a positive effect on the liability for Temporary Total Disability (TTD) benefits. The total number of TTD days paid was down by more than 12% in 2005 as compared to 2004, leading to a decrease in the TTD liability of $43.0 million.

Actual wage growth experience for individuals receiving Economic Loss Payments (ELPs) was better than expected – meaning more workers returned to at least their pre-accident wage level and payments for those continuing to receive ELPs were also lower than expected. This resulted in a decrease of approximately $15.0 million in the liability.

Actual inflation for 2005 was lower than assumed in the 2004 year-end valuation, resulting in $34.1 million being released from the liability.



Sensitivity of actuarial assumptions

Claim benefit liabilities are estimated primarily using actuarial assumptions for the discount rate based on expected investment earnings, the claim incidence rate, cost escalation rate, and benefits duration. Due to the large values involved, the liability estimates are highly sensitive to even small changes in these actuarial assumptions. Further discussion can be found in the accompanying financial statements and notes under Claim Benefit Liabilities.

Funded Position

As at December 31, 2005, Funded Position (net assets or the ratio of total assets to total liabilities) was 132.4% compared to 131.3% at the end of 2004. Viewed from another perspective, WCB has total assets of $6.2 billion to cover its total estimated liabilities of $4.7 billion. WCB-Alberta is one of only a few fully-funded workers' compensation boards in Canada. This position is the result of sustained economic growth, successful disability management initiatives, and strong financial markets. WCB-Alberta is also the only board that is planning to pay a special dividend to return excess funding to employers in 2006, with a total payout estimated at $433.0 million.

WCB's Funded Position of $1,526.2 million includes $1,243.2 million in the Fund Balance plus $283.0 million in the ODR.

FUND BALANCE

Fund Balance is comprised of $470.0 million in Accumulated Operating Surplus and $773.2 million in AOCI. Fund Balance increased $224.4 million over 2004, primarily due to an operating surplus of $585.6 million plus an increase in unrealized investment gains of $113.3 million, offset by a special dividend of $433.0 million declared for 2005 and a transfer to the ODR of $41.5 million.

FUND RESERVE

In addition to Fund Balance, reserves represent the other significant component of Funded Position. At year end, the ODR has a balance of $283.0 million to cover potential liabilities related to latent occupational disease.

Allocation of Fund Assets

($millions)

December 31, 2005

Total assets $6,241.5

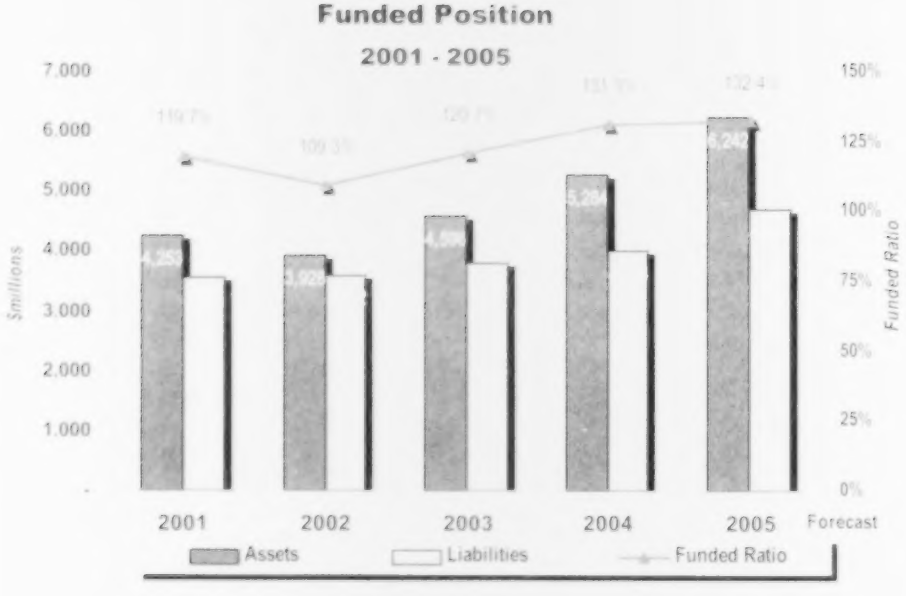
Total liabilities $4,715.3

Funded Position
$1,526.2

Fund Balance $1,243.2

Distributable surplus portion
$433.0

The chart below tracks Funded Position from 2001 through 2005. For comparability with current results, assets and liabilities for fiscal years 2001 – 2003 have been restated to reflect fair value accounting.



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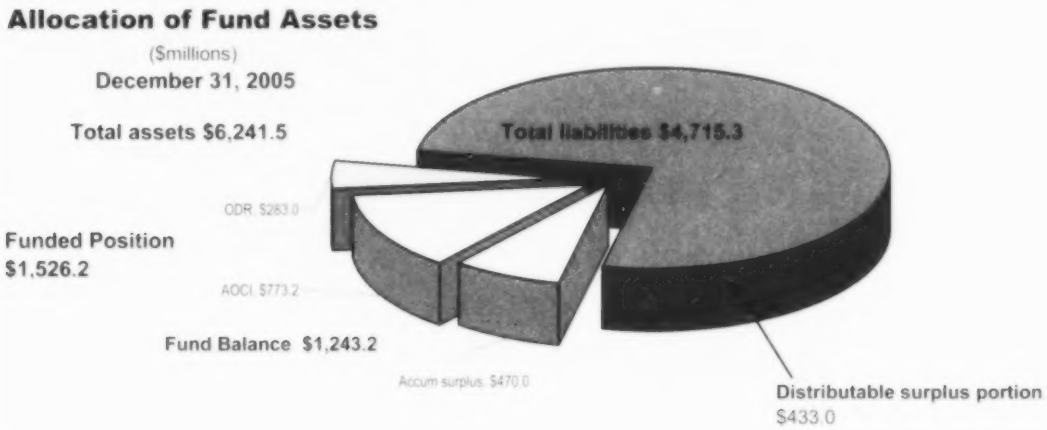

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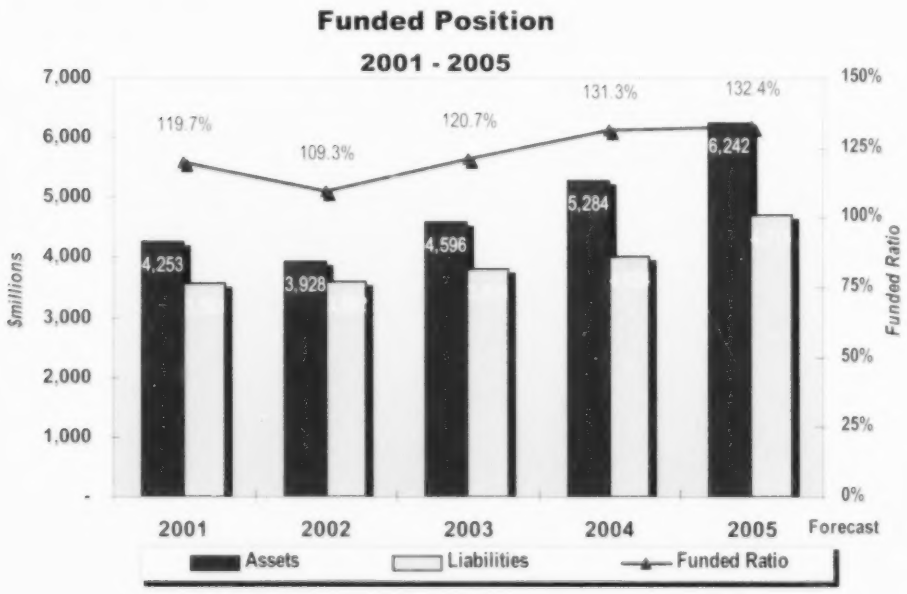

Risk Management

OVERSIGHT

Under the WCB corporate governance structure, the Board of Directors is responsible for overall risk management. The executive team is responsible for identifying and managing enterprise level risk. They are assisted in this mandate by the Risk Management Committee, comprised of a group of senior managers with responsibility for risk identification, assessment, and mitigation at the operating level.

RISK ASSESSMENT

WCB has three primary processes for managing risk in the corporation. First, risk management, is an inherent function of day-to-day business. Projects or changes to business processes are required to go through a documented risk analysis to assess the risk to the corporation and to identify mitigation plans and controls to lessen/eliminate the likelihood or impact of these risks. The second process is to systematically complete a comprehensive risk assessment of emerging corporate risks as they develop through the year. Finally, WCB also completes an annual corporate risk assessment that engages departmental management teams, and senior managers to develop a comprehensive organizational risk register. Risks with the highest potential residual impact to the corporation are prioritized by the executive team and a number are selected for comprehensive risk assessment. Key risk assessments have included:

Fraud-related risk

WCB annually collects nearly a billion dollars in premium revenue and distributes or reserves a similar amount for claim benefits and administrative costs. The magnitude and volume of individuals involved in these processes - approximately 120,000 employers, 170,000 claimants, and thousands of service providers - creates an inherent risk for fraud. The executive team assessed the organization's ability to protect against fraud issues and additional controls were put in place to strengthen WCB's management of fraud risk.

Funding risk

Managing the components of WCB's overall Funded Position (Fund Balance and ODR) is a complex process that involves excellent forecasting and operational performance, liability projection and investment management. The executive team recognized that as WCB approached a fully funded level, additional challenges would be faced by the organization to maintain this balance. An assessment was completed to identify the risks associated with this position and to develop a long-term strategic approach to improve processes for maintaining a fully funded position.

Technology risk

To support its core business processes, WCB utilizes a number of information systems for processing transactions and maintaining claimant and employer information. If these systems failed or were compromised, this could result in significant disruption to business processes and customer service. To mitigate this risk, WCB has implemented systems controls to prevent processing failures and increased the level of internal system expertise. In addition, the Business Continuity Plan was enhanced to minimize downtime in the event of a major system issue.

Significant Accounting Policies and Estimates

Adoption of accounting policies in accordance with Canadian GAAP requires management to make assumptions and estimates that could significantly affect the results of operations and financial condition. The following discusses significant accounting policies and estimates that may have a material effect on current and future financial statements.

PREMIUMS

On an annual basis, WCB's funding requirements are estimated for the next five years. In advance of the fiscal year, and based on Funding Policy and projections in the Five Year Plan, WCB determines the total amount of premiums necessary to cover estimated claims costs, transfer levies, administration expenses, and funding requirements. As premium rates are set well in advance of revenue being realized, they reflect macroeconomic and business assumptions that will likely change prior to and during the fiscal period. Consequently, the amount of premiums collected may be more or less than sufficient to cover estimated funding requirements.

INVESTMENTS

Investment assets are considered to be financial instruments and are accounted for at fair value as at the reporting date. The fair value of investments reflects realizable market value, which could introduce significant volatility in the balance sheet. Any funding ratios based on asset values would therefore be subject to volatility as well.

DERIVATIVES

Derivatives are treated as held-for-trading, which recognizes both realized and unrealized gains and losses in income as at the reporting date.

Certain derivatives within the investment portfolio meet hedging requirements. As hedge accounting is optional, WCB does not apply hedge accounting to its segregated investments but is indirectly exposed to hedge accounting in its pooled investments.

ASSET CAPITALIZATION AND AMORTIZATION

The acquisition or development costs of long-lived assets are amortized over their useful lives. Selection of applicable costs to capitalize, and the estimate of asset useful life, both require application of professional judgment within the context of corporate policy and industry practice. Furthermore, future periods will be affected by the choice of useful life and amortization pattern, which determine the timing and amount of expense recognized in each of those future periods.

VALUATION OF CLAIM BENEFIT LIABILITIES

WCB has significant long-term obligations for compensation benefits to injured workers. These liabilities have maturities extending decades into the future, representing a continuing stream of cash outflows in each accounting period. WCB applies the Actuarial Present Value methodology for its claim benefit liabilities. The actuarial process projects each benefit cost stream for a number of years into the future, and discounts them to present value using a discount rate linked to the return on investment assets funding those liabilities. Measurement uncertainty is high because estimates of the amount, timing, and duration of the benefit commitments, and expected future return on assets, all are difficult to predict accurately, and are influenced by external factors outside management's control. Consequently, the selection of one assumption over another in estimating claim benefit liabilities could have a material impact on the liability valuation.

PREMIUM REVENUE

Premiums are billed when employers report their annual insurable payroll, based on the premium rate for their industry, experience rating, and custom pricing structure, if applicable. Premiums are estimated for those employers who report late or do not report. Reported payrolls are periodically audited and prior years' premiums may be adjusted based on audit findings. Consequently, premiums for the period may be affected by the current year estimate as well as adjustments related to prior periods. Finally, rebate programs also directly affect premium revenue for the current and the following period when the estimate is adjusted to the actual amount paid.

INVESTMENT REVENUE

WCB has designated its portfolio investments as available-for-sale, whose primary purpose is to maintain capital and to generate investment income over the long term. This policy choice allows WCB to minimize investment income volatility by deferring recognition of unrealized holding gains and losses through AOCI. Such deferred gains and losses are recognized in income when realized (i.e., when securities are sold, written down or no longer qualify as financial instruments) through reclassification from AOCI to the statement of operations. Volatility of capital markets and timing of asset sales, could have a material impact on both the balance sheet and statement of operations.

Emerging Issues

STANDARD SETTING

In March 2005, the Canadian Accounting Standards Board (AcSB) issued an Exposure Draft on a draft five-year strategic plan for the period 2006 – 2011 entitled *Accounting Standards in Canada: Future Directions*. This plan departs from the current standard setting model of incremental harmonization, proposing instead to eliminate Canadian GAAP and replace it with International GAAP - International Financial Reporting Standards (IFRS) - for Canada's publicly traded companies over a five-year transitional period. Furthermore, the plan acknowledges the burden of "standards overload" for private and/or small companies and calls for a fundamental reassessment of the current differential reporting model.

In January 2006, the AcSB ratified the new strategic plan, effectively committing to adoption of international accounting rules. WCB will monitor these developments to ensure that policy changes affecting WCB's financial results are addressed proactively.

CORPORATE GOVERNANCE

Concurrent with the potential transition to IFRS by mid-2011, WCB will be monitoring corporate governance practices for publicly traded companies under new regulations from the Canadian Securities Administrators (CSA). In March 2006, after extensive review and consultation, the CSA has decided not to proceed with Multilateral Instrument (MI) 52-111: *Reporting on Internal Control over Financial Reporting*, the Canadian equivalent of the disclosure regime of the Sarbanes-Oxley Act of 2002. Instead, the CSA is proposing to expand MI 52-109: *Certification of Disclosure in Issuers' Annual and Interim Filings* to require the CEO/CFO to also certify that they have evaluated the effectiveness of the issuer's internal controls over financial reporting as at the end of the fiscal year. An audit opinion on internal control effectiveness will no longer be mandatory; however, auditor involvement in the evaluation process is optional. Although the major requirements of CEO/CFO certification of financial statements and internal controls over financial reporting do not directly affect WCB, these processes may well become de facto governance and disclosure best practice for publicly accountable organizations.

FINANCIAL INSTRUMENTS UPDATE

In 2005, the Financial Accounting Standards Board (FASB) in the U.S. withdrew the prescriptive guidelines on impairment review and write-down for investments, and issued a Staff Position which directs statement preparers to existing guidance. Essentially, the impairment model will revert to a principles-based one.

In Canada, the AcSB has established a Financial Instruments Working Group to assist in the development of implementation guidance for the new financial instruments standards. WCB will monitor upcoming pronouncements to ensure that its accounting practices are in compliance.

Looking Ahead

Fiscal 2005 finished on a strong note, with sustained premium growth, an upturn in investment performance, important achievements in service delivery, and successful return-to-work initiatives. As a result, not only are WCB's finances solid with a Funded Position of 132.4%, but most encouraging, a contributing factor to this success was the continuing improvement in operating performance. The effectiveness of WCB's service model provides a solid foundation for ongoing delivery of services to injured workers. Continued strong financial performance will help ensure rate stability for the near future.

In accordance with the Funding Policy, a special dividend of $433.0 million, payable to those employers who are eligible under the terms and conditions of the dividend program, was approved on April 25, 2006 by the Board of Directors.

The momentum gained in 2005 will be sustained into 2006, which will be another pivotal year for WCB as the first year of implementation of the new funding and investment strategies. The uncertainty of market returns, as always, will challenge the effectiveness of these initiatives in maintaining financial stability.

The average premium rate for 2006 has been set at $1.57 per $100.00 of insurable earnings. With all WCBs announcing their rates for 2006, WCB-Alberta has the lowest average premium rate in Canada and remains one of only a few fully-funded workers' compensation boards. Alberta's premium rates have been consistently among the lowest in Canada over the past five years.

RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Workers' Compensation Board were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The WCB's actuarial staff performs an annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB.

The Board of Directors is responsible for overseeing management in the performance of financial reporting responsibilities and has approved the financial statements included in the Annual Report.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements; and meets periodically with management, external auditors, and actuaries concerning internal controls and all other matters relating to financial reporting.

Eckler Partners Ltd. Has been appointed as the independent peer review actuary to the WCB. Their role is to complete an independent review of the annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB and to report thereon in accordance with generally actuarial principles.

The Office of the Auditor General, the independent auditor of the WCB, has performed an audit of the financial statements of the WCB in accordance with Canadian generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and the opinion expressed.

David B. Carpenter, FCA
Chair
Board of Directors

Guy R. Kerr
President and
Chief Executive Officer

Ron J. Helmhold, CA
Chief Financial Officer

Workers' Compensation Board

To the Board of Directors of the Workers' Compensation Board – Alberta

We have completed an actuarial valuation of the benefit liabilities under the Workers' Compensation Act of Alberta as at December 31, 2005, for the financial statements of the Workers' Compensation Board.

Our estimate of the benefit liabilities of $4,165.9 million represents the actuarial present value at December 31, 2005, of all expected short term disability benefits, long-term disability benefits, survivor benefits, health care payments, rehabilitation payments and claims administration expenses related to claims which occurred on or before December 31, 2005. This estimate is based on the legislation, policies and administrative practices in effect at December 31, 2005. The benefit liabilities do not include a provision for future claims arising from latent occupational disease or for benefits and payments that are on a self-insured basis.

The following are the main assumptions used in this valuation. The numbers in brackets are the corresponding assumptions applied in the 2004 year-end valuation.

The economic assumptions underlying the calculations made in this report are a 3.25% per annum real rate of return on invested assets and an annual change in Consumer Price Index of 2.50% (2.75%). Benefits that are increased in accordance with the Cost of Living Adjustment policy are assumed to increase at a rate of 2.00% (2.25%) and are therefore valued using a net discount rate of 3.75% per annum. Health Care and Rehabilitation benefits are assumed to grow at annual rates of 6.75% (6.00%) and 3.50% (3.75%) respectively and are valued using net discount rates of -0.86% (0.08%) and 2.25% respectively.

Pharmaceutical costs are assumed to grow at a rate of 9.75% (9.00%) per annum over a select period of five years following the valuation date. This category reverts to the long term Health Care growth rate of 6.75% (6.00%) following the select period.

Self Managed Personal Care Allowances are assumed to grow at a rate of 2.00% (2.25%) per annum over a select period of four years following the valuation date. Payments are adjusted to be consistent with current market values every 7 years starting in 2010. The adjustment is determined as $(1.0675/1.02)^7$. $((1+\text{Health Care Inflation})/(1+\text{COLA}))^7$.

Liabilities in respect of permanent disability and survivor benefits are based on factors developed from historical patterns of awards and mortality rates. Liabilities in respect of Economic Loss Payments are based on a combination of the Alberta Workers' Compensation Board's own experience and the experience of another Canadian Workers' Compensation Board that has been providing similar benefits for a longer period of time.

Liabilities in respect of all other benefits are based on a continuation of recent payment patterns by year since accident.

I have reviewed the valuation data for reasonableness and consistency with data used in prior years and with data used in the financial statements.

In my opinion the data is sufficient and reliable, the actuarial assumptions are appropriate for the purpose of the valuation and the methods employed are consistent with accepted actuarial practice. This valuation report has been prepared and my opinion has been given in accordance with accepted actuarial practice.

Michael Williams, F.S.A., F.C.I.A.
Chief Actuary
Workers' Compensation Board – Alberta

March 15, 2006

INTERNATIONALLY MILLIMAN GLOBAL

Eckler Partners Ltd.
Consultants and Actuaries

Consulting Actuary's Report on the Valuation of the Benefit Liabilities of the Workers' Compensation Board – Alberta as at December 31, 2005

I have reviewed the actuarial valuation of the benefit liabilities of the Workers' Compensation Board – Alberta (WCB) as at December 31, 2005 with respect to future payments for short term disability, long term disability, survivor benefits, health care, rehabilitation and claim administration costs on account of claims that occurred on or before that date.

The WCB's Actuarial Services Department is responsible for this valuation and the Chief Actuary has provided his opinion that the data is sufficient and reliable for the purpose of the valuation, the actuarial assumptions are appropriate for the purpose of the valuation and the methods employed are consistent with accepted actuarial practice, and that his valuation report has been prepared and his opinion has been given in accordance with accepted actuarial practice.

The valuation was based on the provisions of the Workers' Compensation Act of Alberta and on the WCB's policies and administrative practices in effect as of December 31, 2005. I have examined the appropriateness of the data and the procedures used to verify its integrity, the assumptions and methods selected for the valuation, as well as their application for the calculation of the benefit liabilities.

For this valuation, some changes were made to the assumptions employed to value the claim benefit liabilities when compared with those used in the previous valuation.

The estimate of the benefit liabilities of $4,165.9 million represents the actuarial present value of future payments with respect to claims occurred on or before December 31, 2005. In my opinion, that amount makes reasonable provision for future payments for short term disability, long term disability, survivor benefits, health care, rehabilitation and claim administration costs on account of claims that occurred on or before that date; it does not include a provision for future claims arising from latent occupational disease or for benefits and payments that are on a self-insured basis.

In my opinion, the data on which the valuation is based is sufficient and reliable, the assumptions, in aggregate, are appropriate for the purposes of the valuation, and the methods employed are also appropriate. This report has been prepared and my opinion given in accordance with accepted actuarial practice.

Richard Larouche, F.S.A., F.C.I.A.
Actuary
Eckler Partners Ltd.

March 15, 2006

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Board of Directors of the Workers' Compensation Board - Alberta

I have audited the balance sheet of the Workers' Compensation Board - Alberta as at December 31, 2005 and the statement of operations, statement of comprehensive income, statement of changes in funded position, and statement of cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2005 and the results of its operations, results of its comprehensive income, movements in funded position, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
March 17, 2006

The Workers' Compensation Board - Alberta
Balance Sheet
As at December 31
(thousands of dollars)

	Notes	2005	2004
ASSETS			
Cash and cash equivalents		$ 51,788	$ 55,877
Receivables	4	109,832	97,548
Investments	5,6	6,028,112	5,077,585
Property, plant and equipment	7	51,770	52,967
		$ 6,241,502	$ 5,283,977
LIABILITIES			
Payables and accruals	8	$ 116,327	$ 102,308
Dividends payable	9	433,033	-
Claim benefit liabilities	10	4,165,900	3,921,300
		4,715,260	4,023,608
FUNDED POSITION			
Fund balance		1,243,242	1,018,869
Occupational disease reserve		283,000	241,500
		1,526,242	1,260,369
		$ 6,241,502	$ 5,283,977
COMMITMENTS	20		
CONTINGENCIES AND INDEMNIFICATION	21		

The accompanying notes and schedule are an integral part of these financial statements.

Approved by the Board of Directors:

David B. Carpenter, FCA
Chair, Board of Directors

Guy R. Kerr
President and Chief Executive Officer

The Workers' Compensation Board - Alberta
Statement of Operations
Year Ended December 31
(thousands of dollars)

	Notes	2005 Budget	2005 Actual	2004 Actual
REVENUE				
Premium	12	$ 920,500	$ 978,910	$ 936,178
Investment	13	142,000	556,214	224,336
Other	14	800	1,763	2,967
		1,063,300	1,536,887	1,163,481
EXPENSES				
Claim costs	10	808,500	860,972	825,840
Administration	15	66,200	63,200	62,515
Injury reduction	17	19,200	18,916	15,853
Appeals Commission	18	7,400	8,174	6,833
		901,300	951,262	911,041
OPERATING SURPLUS		$ 162,000	$ 585,625	$ 252,440

The accompanying notes and schedule are an integral part of these financial statements.

The Workers' Compensation Board - Alberta
Statement of Comprehensive Income
Year Ended December 31
(thousands of dollars)

	2005	2004
OPERATING SURPLUS	$ 585,625	$ 252,440
OTHER COMPREHENSIVE INCOME		
Net unrealized gains on available-for-sale investments arising during the year	412,024	262,577
Net investment (gains) realized during the year and reported in the statement of operations	(301,571)	(82,284)
Loss realized during the year from writedown of impaired investments and reported in the statement of operations	2,828	39,553
	113,281	219,846
TOTAL COMPREHENSIVE INCOME	$ 698,906	$ 472,286

The accompanying notes and schedule are an integral part of these financial statements.

The Workers' Compensation Board - Alberta
Statement of Changes in Funded Position
Year Ended December 31
(thousands of dollars)

	Notes	2005	2004
FUND BALANCE			
Accumulated operating surplus			
Balance, beginning of year		**$ 358,978**	$ 116,338
Operating surplus		**585,625**	252,440
Dividends payable	9	**(433,033)**	-
Transfer to reserve		**(41,500)**	(9,800)
		470,070	358,978
Accumulated other comprehensive income			
Balance, beginning of year		**659,891**	440,045
Other comprehensive income		**113,281**	219,846
	5	**773,172**	659,891
FUND BALANCE, END OF YEAR		**1,243,242**	1,018,869
OCCUPATIONAL DISEASE RESERVE			
Balance, beginning of year		**241,500**	231,700
Transfer from accumulated operating surplus		**41,500**	9,800
OCCUPATIONAL DISEASE RESERVE, END OF YEAR		**283,000**	241,500
FUNDED POSITION, END OF YEAR		**$ 1,526,242**	$ 1,260,369

The accompanying notes and schedule are an integral part of these financial statements.

The Workers' Compensation Board - Alberta
Statement of Cash Flows
Year Ended December 31
(thousands of dollars)

	2005		2004
	Budget	**Actual**	Actual
OPERATING ACTIVITIES			
Cash inflows:			
Employer premiums	**$ 932,100**	**$ 979,138**	$ 949,989
Dividend, interest, and derivative income	**125,000**	**258,890**	181,604
Realized net investment gains	**-**	**301,571**	82,284
Other	**2,600**	**1,530**	1,988
Cash outflows:			
Benefits to claimants and/or third parties on their behalf	**(578,900)**	**(529,671)**	(543,031)
Employee and supplier payments for administrative and other goods and services	**(138,400)**	**(147,966)**	(140,713)
Injury reduction program funding	**(19,200)**	**(19,137)**	(18,091)
Net cash from operating activities	**323,200**	**844,355**	514,030
INVESTING ACTIVITIES			
Cash outflows:			
Purchase of investments - net of sales	**(315,200)**	**(841,493)**	(615,455)
Purchase of capital assets - net of disposals	**(8,000)**	**(6,951)**	(7,370)
Net cash used for investing activities	**(323,200)**	**(848,444)**	(622,825)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**-**	**(4,089)**	(108,795)
Cash and cash equivalents, beginning of year	**25,000**	**55,877**	164,672
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 25,000**	**$ 51,788**	$ 55,877

The accompanying notes and schedule are an integral part of these financial statements.

Notes to the Financial Statements

(thousands of dollars unless stated otherwise)

1. Legislative Authority

The Workers' Compensation Board - Alberta (WCB) operates under the authority of the Workers' Compensation Act (the Act), Revised Statutes of Alberta 2000, Chapter W-15, as amended.

2. Funding Policy

In accordance with Section 91 of the Act, the Board of Directors established a Funding Policy to ensure that WCB remains financially stable and secure into the future for the benefit of its stakeholders. The Act stipulates the creation of an Accident Fund (the Fund) for the payment of present and future compensation. The Fund is considered to be funded when the total fund assets equal or exceed total liabilities. This Funded Position (or net assets) represents the current funding status of the Fund. The Funding Policy establishes a target zone for funding sufficiency, below which fund replenishment may be initiated and above which special dividends may be paid, both subject to approval by the Board of Directors through the annual financial plan.

To ensure sufficiency of funds, WCB maintains two reserves within the Accident Fund: the Fund Balance and the Occupational Disease Reserve (ODR).

The Fund Balance covers those costs, not provided for elsewhere, arising from events that might otherwise unfairly burden employers in the short term, or which might otherwise prevent full funding of the Accident Fund. It consists of accumulated net operating surpluses and Accumulated Other Comprehensive Income (AOCI) which holds unrealized gains and losses arising from fair value accounting for investments. It is replenished through accumulated net operating surpluses, accumulated unrealized gains/losses generated by the investment portfolio, and where required, through special funding requirements included in premiums. Conversely, funding beyond the target range, as specified in the funding policy, is paid out of the Fund Balance as special dividends.

The ODR was established through an appropriation from the Fund Balance to provide for costs arising from latent occupational injury or disease where a causal link to the workplace has not yet been established, but may be established in the future. No provision against income has been made for future claims arising from such injury or disease, because the determination of such claims cannot be reasonably estimated. The ODR is maintained at 6% of total liabilities in each year through a transfer from or to the Fund Balance.

3. Significant Accounting Policies

Basis of presentation

The financial statements of WCB have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

Accounting estimates and measurement uncertainty

The preparation of financial statements in conformity with GAAP requires the use of estimates as at the date of the financial statements that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting periods presented. Measurement uncertainty exists when there is a variance between the recognized amount and another reasonable amount. Some accounting measurements require management's best estimates, based on assumptions as at the financial statement date, that reflect the most probable set of economic conditions and planned courses of action.

3. Significant Accounting Policies (continued)

Claim benefit liabilities, the reserve for occupational disease, Partners in Injury Reduction accrual, accrued premiums, and accrued dividends are the most significant items based on estimates. Actual results could differ from the estimates made by management in these financial statements, and these differences could be significant.

Comprehensive income
Comprehensive income includes current operating surplus and other comprehensive income (OCI).

OCI is comprised of unrealized fair value gains and losses from investments less previously deferred unrealized gains and losses that have been realized during the period through sale or provided for as a write down and recognized in current income.

AOCI includes unrealized fair value gains and losses arising from holding investments. When the underlying securities are subsequently sold or written down, the resulting realized gain or loss is released from AOCI into investment income in the statement of operations.

Foreign currency translation
Monetary assets and liabilities denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the historical exchange rate. Foreign currency transactions are translated into Canadian dollars using the exchange rate in effect when those transactions occur. Foreign currency gains and losses are recognized in income in the period in which they arise.

Cash and cash equivalents
Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and short-term investments held by custodians for investment purposes are excluded from cash and cash equivalents reported on the balance sheet.

Investments
Fixed income and marketable equity securities are classified as available-for-sale (investments held for long-term capital appreciation and generation of income). They are initially recognized at acquisition cost (net of any premium or discount at date of purchase, if applicable) and subsequently remeasured at fair value at each reporting date. WCB utilizes trade-date accounting (date when transactions are entered into rather than when they are settled) for all purchases and sales of financial assets in its investment portfolio.

The fair value of publicly traded securities is based on their quoted market prices. The fair value of the real estate fund is based on independent appraisals, net of any liabilities against the real properties.

Investments include derivatives which are financial contracts whose price is dependent on the price of one or more underlying securities, reference rates, or indices. Notional principal amounts, upon which payments are based, are not recognized in these financial statements.

The fair value of the WCB's derivative positions, primarily in pooled funds, is determined by the following methods:

a) Interest rate swaps and cross-currency swaps are valued based on discounted cash flows using current market yields and exchange rates.

3. Significant Accounting Policies (continued)

b) Forward foreign exchange contracts (including currency overlays) and equity index futures contracts are valued based on quoted market prices.

c) Equity and bond index swaps are valued based on changes in the relevant market indices net of accrued floating rate interest.

d) Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities.

Investment income

WCB recognizes dividend and interest revenue as earned, and investment gains and losses when realized. Interest revenue includes amortization of any premium or discount recognized at date of purchase. Realized gains and losses represent the difference between the amounts received through sale of investments and their respective cost base. Unrealized gains and losses on available-for-sale securities are recorded in OCI and recognized in income when realized.

Transaction costs are included in the acquisition cost of individual securities and recognized as part of the realized gains or losses when they are sold or written down. Direct investment expenses such as external custodial and management fees, as well as internal investment management expenses, are netted against investment income.

When the fair value of an investment falls below its cost, and the decline is determined to be other-than-temporary, a loss equivalent to the difference between cost and estimated realizable value is recorded against investment income in the statement of operations.

Included in investment income is income from derivatives. Derivatives are treated as held-for-trading, which recognizes both realized and unrealized gains and losses in income as at the reporting date.

WCB's investment portfolio contains certain derivatives which meet hedging requirements. Hedge accounting for these investments is optional, but the ability to apply it is contingent on satisfying rigorous technical requirements with respect to designation, documentation and effectiveness. WCB does not apply hedge accounting to the hedging relationships in its segregated investments but indirectly uses hedge accounting in its pooled investments.

When hedge accounting is not applied, all realized and unrealized gains and losses are recognized in investment income in the respective periods in which they arose. When hedge accounting is applied, gains and losses on the hedging items are recognized in investment income in the same period as gains and losses for the hedged items.

Property, plant and equipment

Property, plant and equipment are recorded at cost and amortized over their estimated useful lives. Amortization is calculated using the following annual rates and methods:

Buildings	2.5% straight-line
Equipment - computer	35% declining balance
- furniture and other	15% declining balance
- vehicles	20% straight-line
Computer software	20% straight-line

WCB evaluates its property, plant and equipment for impairment due to obsolescence, redundancy, deterioration, and/or loss. WCB writes down the carrying value to fair value and records the write down amount as amortization expense.

3. Significant Accounting Policies (continued)

Claim benefit liabilities

Claim benefit liabilities represent the actuarial present value, as estimated by the WCB's actuary, of all future benefit payments and claim administration costs that have occurred in respect of current and prior years' injuries. Claim benefit liabilities have been estimated in accordance with generally accepted actuarial practice established by the Canadian Institute of Actuaries.

Premium revenue

Premiums are billed when employers report their insurable earnings for the current premium year. For employers who have not reported, premiums are estimated and any difference between actual and estimated premiums is adjusted in the following year. Premium revenue is net of rebates in effect during the year, such as Partners in Injury Reduction.

4. Receivables

($ thousands)	2005	2004
Premium	$ 103,111	$ 91,757
Other	6,721	5,791
	$ 109,832	$ 97,548

Premium receivables include an estimate of $59,262 (2004 - $43,509) for premium revenue related to employers that had not reported their insurable earnings by year end. Historically, year-end premium revenue accruals have ranged from 3% to 5% of total processed premiums.

5. Investments

The table below presents the fair value of WCB's investments as at December 31, 2005 together with the change in fair value from their cost base.

($ thousands)	2005			2004		
	Fair Value	Cost [1]	Accumulated Other Comprehensive Income	Fair Value	Cost [1]	Accumulated Other Comprehensive Income
Fixed income:						
Conventional bonds	$ 2,176,219	$ 2,122,391	$ 53,828	$ 1,579,418	$ 1,517,551	$ 61,867
Real return bonds	389,772	283,220	106,552	347,788	269,870	77,918
	2,565,991	2,405,611	160,380	1,927,206	1,787,421	139,785
Real estate fund	209,793	141,968	67,825	141,480	104,982	36,498
Equities:						
Domestic:						
Canada	1,108,582	887,044	221,538	1,131,959	898,360	233,599
Foreign:						
Global	1,855,581	1,611,213	244,368	1,610,261	1,427,018	183,243
Emerging markets	288,165	209,104	79,061	266,679	199,913	66,766
	3,252,328	2,707,361	544,967	3,008,899	2,525,291	483,608
	$ 6,028,112	$ 5,254,940	$ 773,172	$ 5,077,585	$ 4,417,694	$ 659,891

[1] Cost includes: a) the fair value of derivative contracts not designated as hedges for the purpose of hedge accounting
b) the accumulated amortization of discount or premium on fixed income securities
c) the written down value for securities assessed to have an other-than-temporary decline in value

See Note 13 Investment Revenue for a breakdown of the sources of investment income.

6. Financial Risk Management

In accordance with Investment Policy, WCB manages investment risk by maintaining a well-diversified portfolio, both across and within asset classes, and engages fund managers encompassing a broad range of investment philosophies and styles.

WCB management has responsibility for monitoring performance, recommending changes to Investment Policy and selection of fund managers. The Board of Directors is ultimately responsible for governance and strategic direction of the investment portfolio. From time to time, WCB retains independent consultants to benchmark the performance of its fund managers, and to advise on the appropriateness and effectiveness of its investment policy and practices. The Board of Directors approves changes to the Investment Policy.

From time to time, WCB's investment portfolio may include derivative arrangements as part of an asset-liability management strategy for risk mitigation, but does not directly hold any derivatives for speculative or trading purposes.

The following sections describe WCB's financial risk exposures and related mitigation strategies.

Market risk
WCB invests in publicly traded shares listed on domestic and foreign exchanges, and bonds traded over-the-counter through broker-dealers. These investments are affected by general changes and fluctuations in the overall market.

Credit risk
Credit risk related to financial instruments arises from the possibility that the counterparty to an instrument fails to discharge its obligation to WCB. Counterparties for derivative contracts will have at least an A- credit rating or equivalent from a recognized credit rating agency. Issuers of debt instruments will have at least a BBB- or equivalent score from a recognized credit rating agency, or must meet other stringent investment criteria. Specific rules have been established to ensure that the credit ratings of counterparties do not fall below a threshold acceptable to WCB. WCB does not anticipate that any counterparties will fail to meet their obligations.

Securities lending risk
To generate additional income, WCB may lend any of its investments to eligible third parties for short periods. These loans are secured against loss with cash or readily marketable securities having a minimum fair value of 102% of the loan. As of December 31, 2005, outstanding securities on loan amounted to $334,100 (2004 - $364,011).

Inflation risk
Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power for current monetary assets. To mitigate the effect of inflation on WCB's future liabilities, the portfolio holds Canadian real return bonds, which are indexed to the annual change in the Canadian Consumer Price Index. These bonds have an effective yield of 1.44% at December 31, 2005 (2004 – 2.02%). (See the table following the interest rate risk section for the remaining terms to maturity of the real return bond portfolio).

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. WCB's investment portfolio is exposed to interest rate risk through participation in a conventional Canadian bond pool which utilizes various types of interest rate derivative contracts to manage interest rate risk. The Canadian bond pool has an effective yield of 4.47% at December 31, 2005 (2004 – 4.30%).

6. Financial Risk Management (continued)

The table below presents the remaining terms to maturity at fair value for fixed income investments exposed to inflation and interest rate risk as at December 31, 2005:

($ thousands)	Remaining term to maturity					
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	2005	2004
Canadian real return bonds[1]	$ -	$ -	$ -	$ 389,772	$ 389,772	$ 347,788
Canadian conventional bonds[2]	86,831	832,621	521,640	735,127	2,176,219	1,579,418
	$ 86,831	$ 832,621	$ 521,640	$ 1,124,899	$ 2,565,991	$ 1,927,206

[1] direct holdings
[2] indirect holdings through pooled funds

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. WCB has foreign investments that are exposed to exchange rate volatility. This volatility is managed through forward foreign exchange contracts, cross-currency interest rate swaps, and foreign currency overlays.

WCB utilizes currency hedging through a currency overlay to hedge 50% of the foreign exchange exposure of foreign investments. The currency overlay is a passive or indexing strategy executed through foreign exchange forward contracts on the US dollar, Euro, and other major currencies.

Derivatives

The table below summarizes the fair value of the WCB's derivative portfolio on open contract positions as at December 31, 2005:

($ thousands)	2005		2004	
	Notional Principal	Fair Value	Notional Principal	Fair Value
Equity index swaps[1]	$ 290,302	$ 11,648	$ 228,068	$ 5,740
Equity index futures contracts[1]	41,006	241	7,591	475
Bond index swaps[1]	86,191	887	31,535	597
Interest rate swaps[1]	100,177	2,514	106,070	(3,331)
Cross-currency interest rate swaps[1]	162,620	9,822	182,942	(8,354)
Currency overlay forward contracts[2]	1,392,062	(586)	-	-
Forward foreign exchange contracts[1]	74,983	(723)	82,023	(43)
Credit default swaps[1]	65,473	515	29,306	254
	$ 2,212,814	$ 24,318	$ 667,535	$ (4,662)

[1] indirect exposure through pooled funds for notional amount and fair value
[2] direct exposure through segregated funds for notional amount and fair value

The notional amounts, upon which payments are based, are not indicative of the credit risk associated with derivative contracts. WCB's credit exposure is represented by the receivable (positive fair value) position on all outstanding contracts.

7. Property, Plant and Equipment

($ thousands)	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,092	$ -	$ 1,092	$ 1,092
Buildings	37,829	(13,971)	23,858	24,762
Equipment	8,168	(6,774)	1,394	1,031
Computer software	81,027	(68,113)	12,914	19,282
Software under development	12,512	-	12,512	6,800
	$ 140,628	$ (88,858)	$ 51,770	$ 52,967

8. Payables and Accruals

($ thousands)	2005	2004
Partners in Injury Reduction rebates	$ 78,259	$ 66,675
Accrued staff benefits	20,534	21,523
Other	17,534	14,110
	$ 116,327	$ 102,308

Partners in Injury Reduction (PIR) rebates are paid to those employers that have met the eligibility requirements. The estimated rebate amount is based on several factors including premiums paid, year-over-year improvement on claims experience, and safety performance relative to industry benchmarks, among others. Historically, the PIR rebate accrual has ranged from 6% to 7% of total processed premiums.

9. Dividends Payable

In accordance with Funding Policy, the Board of Directors approved a special dividend for 2005 of $433,033 (2004 – nil). As at December 31, 2005, dividends payable represents amounts owing to employers who have met the eligibility criteria for the special dividend during the year.

10. Claim Benefit Liabilities

As at December 31, 2005, claim benefit liabilities are estimated by WCB's internal actuary and independently reviewed by an external actuary. Claim benefit liabilities include a provision for all benefits provided by current legislation, WCB policies and administrative practices. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period.

The claim benefit liabilities of WCB are of a long-term nature and therefore the actuarial assumptions and methods used to calculate the reported claim benefit liabilities are based on considerations of future expenditures over the long term. Changes in future conditions within one year of the financial statement date could require a material change in the recognized amounts.

10. Claim Benefit Liabilities (continued)

The table below presents a breakdown of WCB's total claim benefit liabilities as at December 31, 2005, with details of the transactions during the year:

($ thousands)	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Rehab-ilitation	Claim Admin-istration	2005	2004
Claim benefit liabilities, beginning of year	$ 463,300	$ 1,799,100	$ 443,300	$ 926,200	$ 129,700	$ 159,700	$3,921,300	$3,725,500
Add:								
Claim costs incurred:								
Current year injuries	151,269	158,645	21,675	239,831	26,975	61,979	660,374	635,147
Prior years' injuries	(45,465)	60,829	11,182	178,649	(15,143)	10,546	200,598	190,693
	105,804	219,474	32,857	418,480	11,832	72,525	860,972	825,840
	569,104	2,018,574	476,157	1,344,680	141,532	232,225	4,782,272	4,551,340
Deduct:								
Claim payments made:								
Current year injuries	67,169	1,945	675	93,431	1,575	17,779	182,574	169,447
Prior years' injuries	88,735	122,829	37,082	115,549	24,557	45,046	433,798	460,593
	155,904	124,774	37,757	208,980	26,132	62,825	616,372	630,040
Claim benefit liabilities, end of year	$ 413,200	$ 1,893,800	$ 438,400	$1,135,700	$ 115,400	$ 169,400	$4,165,900	$3,921,300

These benefits are expressed in constant dollars discounted at 3.25% per annum (2004 – 3.25%), being the difference between expected investment earnings and the expected increase in benefits payable, except for wage based disability payments that are discounted at 3.75% (2004 – 3.75%), and rehabilitation and claim administration costs that are discounted at 2.25% (2004 – 2.25%). Health care costs are ultimately discounted at negative 0.86% (2004 – 0.08%) to reflect expected higher increases in health care costs and utilization. These net discount rates are based on underlying assumptions of 5.83% (2004 – 6.09%) per annum investment earnings, 2.50% (2004 – 2.75%) growth in the Consumer Price Index, 3.50% (2004 – 3.75%) growth in rehabilitation and claim administration costs, and 6.75% (2004 – 6.00%) growth in health care costs.

The table below is a reconciliation of the changes in the claim benefit liabilities during the year:

($ thousands)	2005	2004
Claim benefit liabilities, beginning of year	$ 3,921,300	$ 3,725,500
Add:		
Provision for current year injuries	477,800	465,700
Interest allocated	223,400	243,100
Difference between actual and expected long-term cost of living adjustments and inflation	(34,100)	(35,000)
Change to actuarial discount rate	-	88,600
Change in actuarial methods and assumptions	91,200	-
	4,679,600	4,487,900
Deduct:		
Payments for prior years' injuries, excluding self-insured employers	426,807	453,729
Claim cost experience lower than expected	86,893	112,871
	513,700	566,600
Claim benefit liabilities, end of year	$ 4,165,900	$ 3,921,300

10. Claim Benefit Liabilities (continued)

Sensitivity of actuarial assumptions
The most significant assumption in the determination of the claim benefit liabilities is the net discount rate. The net discount rate is the assumed rate of return in excess of the assumed inflation rate. A reduction in the assumed net discount rate would increase the actuarial present value of the claim benefit liabilities.

Health care benefits represent approximately 27% of the claim benefit liabilities. An increase in the assumed excess health care inflation rate (above the assumed inflation rate) would result in an increase in the claim benefit liability for health care.

The table below presents key assumptions used to determine the claim benefit liabilities and the sensitivity of the liabilities to an immediate 0.25% increase or decrease in the assumed rates:

Effect of Assumption Changes on Claim Benefit Liabilities

($ millions)	2005		2004	
	0.25%	(0.25)%	0.25%	(0.25)%
Net discount rate	$ (104)	$ 115	$ (98)	$ 108
Excess health care inflation rate	$ 36	$ (34)	$ 29	$ (27)

11. Pension Plans and Other Post-Employment Benefits

Pension plans
WCB provides post-retirement benefits through employer and employee participation in multi-employer defined benefit pension plans sponsored by the Province of Alberta, namely, the Management Employees Pension Plan (MEPP) and Public Service Pension Plan (PSPP). An actuarial review of the MEPP resulted in an increase in the required employer contribution from 13.1% to 18.0% of pensionable earnings effective July 1, 2005. The actuarial review of the PSPP will be undertaken as at December 31, 2005, with any impact possibly occurring in 2007. For the year ended December 31, 2005, the expense for these pension plans is equivalent to their aggregate annual contributions of $5,873 (2004 - $5,346).

Supplemental executive retirement plan
WCB maintains a voluntary, non-contributory supplemental retirement benefit plan with the WCB Accident Fund covering the obligations of the plan. The plan ensures that executives whose earnings exceed the threshold earnings for the maximum pension benefit permitted under the federal Income Tax Act will receive pension benefits based on their total earnings.

Long-term disability plan
WCB administers a non-contributory long-term disability income continuance plan for its employees, with the WCB Accident Fund covering the obligations of the plan. At December 31, 2005, the actuarial valuation reported an accrued benefit obligation (actuarial present value of cumulative benefits attributed to employee services to the reporting date) of $11,340 (2004 – $12,558). The accrued benefit liability of the plan (current and past years' benefit costs less cash contributions to the reporting date) is $13,779 (2004 – $13,629), and is included in payables and accruals. The expense for the period was $1,232 (2004 – $2,304). The amount of benefits paid and the contributions by WCB to the plan for the period was $1,082 (2004 – $1,303). The discount rate used in determining the benefit obligation was 4.44% (2004 – 4.63%). The assumed rate of salary escalation for participants in the plan was 3.50% (2004 – 3.75%).

12. Premium Revenue

($ thousands)	2005	2004
Premiums	$ 1,057,169	$ 1,002,853
Deduct: Partners in Injury Reduction rebates	78,259	66,675
	$ 978,910	$ 936,178

13. Investment Revenue

($ thousands)	2005	2004
Fixed income:		
Conventional bonds	$ 130,112	$ 95,875
Real return bonds	23,826	20,310
Cash and cash equivalents	1,506	2,404
	155,444	118,589
Real estate fund	13,126	7,981
Equities:		
Domestic:		
Canada	243,525	64,785
Foreign:		
Global	73,632	58,427
Emerging markets	74,071	14,708
	147,703	73,135
	391,228	137,920
	559,798	264,490
Deduct:		
Other investment expense:		
Provision for impairment writedown	2,828	39,553
Investment-related administration expense*	756	601
	$ 556,214	$ 224,336

*WCB internal expenses only. External costs (e.g., transaction costs, management, custodial, and audit fees, etc.) are netted against the respective revenue sources.

14. Other Revenue

($ thousands)	2005	2004
Other	$ 299	$ 400
Millard Health	1,464	2,567
	$ 1,763	$ 2,967

15. Administration Expenses

($ thousands)	2005	2004
Salaries and employee benefits	$ 90,796	$ 87,721
Office and communications	22,570	22,424
Amortization of property, plant and equipment	8,584	11,024
Building operations	4,332	4,261
Consulting fees	2,968	2,394
Travel and vehicle operation	1,014	915
Other	221	225
	130,485	128,964
Deduct:		
Claim administration costs	62,825	62,773
Investment management expenses charged to investment revenue	756	601
Recovery of costs	3,704	3,075
	$ 63,200	$ 62,515

16. Self-Insured Employers

The financial statements include the effects of transactions on behalf of self-insured employers who directly bear the cost of their workers' claims and an appropriate share of administration expenses. Currently, the Federal Government is the only self-insured employer. This is a contractual relationship in accordance with the Government Employees Compensation Act. Certain government-related entities and railways are responsible for the cost of injuries to their workers that occurred when they were self-insured in prior years.

Included in the balance sheet is $760 (2004 - $1,630) for receivables.

Aggregate amounts of premiums and offsetting expenses included in the statement of operations are presented below:

($ thousands)	2005	2004
Premium revenue	$ 8,936	$ 8,802
Claim costs incurred	7,462	7,305
Administration expenses	1,474	1,497
	$ 8,936	$ 8,802

17. Injury Reduction

WCB has a statutory obligation to reimburse the Alberta Minister of Finance a portion of the costs associated with administration of the Occupational Health and Safety Act.

Funding is provided to industry-sponsored safety associations for the purpose of improving workplace safety practices.

($ thousands)	2005	2004
Occupational Health & Safety	$ 12,100	$ 9,600
Safety Associations	6,816	6,253
	$ 18,916	$ 15,853

18. Appeals Commission

The Appeals Commission operates independently, and is administered by the Alberta Ministry of Human Resources and Employment. In accordance with Section 12 of the Workers' Compensation Act, the operating costs of the Appeals Commission are funded by WCB from the Accident Fund.

19. Related Party Transactions

Included in these financial statements are transactions with various Alberta Crown corporations, departments, agencies, boards, and commissions related to WCB by virtue of common influence by the Government of Alberta. Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Statutory funding obligations relating to Occupational Health and Safety and the Appeals Commission are in accordance with the applicable legislation and regulations.

The amounts outstanding at December 31, 2005 and transactions throughout the year are as follows:

($ thousands)	2005	2004
Receivables	$ 1,759	$ 1,731
Payables and accruals	$ 2,015	$ 1,675
Premiums	$ 8,872	$ 8,739
Expenses	$ 20,461	$ 16,545

20. Commitments

WCB has obligations under long-term non-cancellable contracts for office space, leased equipment, and commitments for purchases of goods and services. The following is a schedule of future expenditures:

($ thousands)	2005	2004
2005	$ -	$ 10,208
2006	14,117	6,388
2007	10,113	1,187
2008	6,112	823
2009	522	430
Beyond	3,197	3,174
	$ 34,061	$ 22,210

21. Contingencies and Indemnification

Legal proceedings

WCB is party to various claims and lawsuits that are currently being contested. In the opinion of management, the outcome of such claims and lawsuits are not determinable. However, based on the total amount of all such actions, WCB has concluded that the outcomes will not have a material effect on the results of operations or financial position.

Indemnification

In the normal course of operations, WCB indemnifies certain contractual parties as required under standard contract terms. The terms of these indemnification agreements will vary based upon the contract, and/or the occurrence of contingent or future events, the nature of which prevent WCB from making a reasonable estimate of the maximum potential amount that could be required to be paid to those counterparties.

21. Contingencies and Indemnification (continued)

WCB has not made any payments under such indemnification arrangements, and no amounts have been accrued in the financial statements with respect to these indemnifications.

Long-standing contentious claims

The Workers' Compensation Act was revised May 21, 2002, to include Section 157.1 *Long-Standing Contentious Matters*, allowing the Lieutenant Governor in Council to make regulations. No regulation has been made in relation to long-standing contentious claims, and these financial statements do not contain any provision for liabilities in respect of any relevant contingent costs.

22. Budget

The Board of Directors approved the 2005 budget in October 2004.

23. Comparative Figures

Where required, certain comparative figures for 2004 have been reclassified to conform to the current year's presentation.

Schedule A

Workers' Compensation Board - Alberta
Salaries and Benefits
Year Ended December 31, 2005

	2005			2004
	Salary [1]	Benefits [2,3]	Total	Total [6]
Chairman, Board of Directors [4]	$ 70,736	$ 2,923	$ 73,659	$ 71,025
Board Members [4]	158,768	7,514	166,282	135,552
President and Chief Executive Officer	312,019	67,694	379,713	349,326
Vice President, Customer Service & Disability Management	217,000	41,466	258,466	233,447
Vice President, Customer Service & Risk Management	212,000	46,556	258,556	235,237
Vice President, Business Development & I.M.	206,454	44,457	250,911	232,569
Vice President, Employee & Corporate Services	191,750	38,193	229,943	218,934
Chief Financial Officer [5]	147,537	28,559	176,096	231,673
Secretary & General Counsel	189,587	42,496	232,083	222,049

Notes

1. Salary includes regular base pay, special incentive pay, performance awards, vacation pay, and honoraria.
2. Employer's share of employee benefits and contributions or payments made to or on behalf of employees. It is comprised of Canada Pension Plan, Employment Insurance, pension plans, medical benefits, group life insurance, disability plans, car allowances, professional memberships, long service and vacation payout.
3. No amount is included in benefits for the value of parking and interest-free computer purchase loans.
4. The Chair of the Board of Directors and the nine Board Members are part time positions.
5. The former Chief Financial Officer's last day of employment was October 15, 2005. Chief Financial Officer acting pay is included for the period September 19 – December 31, 2005. The current Chief Financial Officer commenced employment on January 23, 2006.
6. 2004 has been restated to reflect minor adjustments to conform to prescribed disclosure guidelines.

Appendices

APPENDICES

- Appendix A – Vision & Mission Statements
- Appendix B – Ministry Acts
- Appendix C – Ministry Office Locations
- Appendix D – Alphabetical List of Entities' Financial Information in Ministry 2005/2006 Annual Report
- Appendix E – Performance Measures Source and Methodology

Appendix A

Vision and Mission Statements

Department of Human Resources and Employment (AHRE)

Vision Alberta works because we invest in people

Mission To provide a continuum of services and information that enables individuals to succeed in the changing workforce, fosters safe and healthy workplaces, and assists people in need.

Personnel Administration Office (PAO)

Vision PAO – Building a strong public service

Mission To provide corporate human resource strategies, policy frameworks and strategic support services that enable ministries to fulfill their business plans and achieve government's vision of the Alberta public service.

Alberta Labour Relations Board (ALRB)

Vision A fair and equitable application of Alberta's collective bargaining laws

Mission To administer, interpret and enforce Alberta's collective bargaining laws in an impartial, knowledgeable, efficient, timely and consistent way.

Appeals Commission for Alberta Workers' Compensation

Vision The leader in innovative appeal services

Mission To provide a timely, fair and independent appeals process consistent with legislation, policy and the principles of natural justice.

Appendix B

Ministry Acts

Agrologists Act
- Bylaws of the Alberta Institute of Agrologists (AR 376/1967)

Architects Act
- Code of Ethics (AR 240/1981)
- Education and Training Regulation (AR 241/1981)
- Interior Design Regulation (AR 174/1983)
- Practice Review Regulation (AR 175/1983)
- Professional Practice Regulation (AR 242/1981)

Blind Workers' Compensation Act
- No regulations

Burial of the Dead Act
- No regulations

Consulting Engineers of Alberta Act
- General Regulation (AR 78/2004)

Employment Standards Code
- Employment Standards Regulation (AR 14/1997)

Engineering, Geological and Geophysical Professions Act
- General Regulation (AR 150/1999)
- Registered Professional Technologist (Geological) and Registered Professional Technologist (Geophysical) Regulation (AR 36/2003)

Government Organization Act
- Grants, Donations and Loans Regulation (AR 315/1983)
- Radiation Health Administration Regulation (AR 49/1996)

Income and Employment Supports Act
- Child and Adult Support Services Regulation (AR 61/2004)
- Employment and Training Benefits for Persons with Disabilities Regulation (AR 59/2004)
- Income Supports, Health and Training Benefits Regulation (AR 60/2004)
- Recovery Regulation (AR 46/2004)
- Recovery, Administrative Penalties and Appeals Regulation (AR 381/2003)
- Support Agreement Regulation (AR 155/2005)
- Temporary Employment and Job Creation Programs Regulation (AR 380/2003)
- Training Provider Regulation (AR 384/2003)

Labour Relations Code

- Construction Industry Jurisdictional Assignment Plan Regulation (AR 2/2000)
- Construction Industry Labour Relations Regulation (AR 165/2005)
- Horizon Oil Sands Project Designation Regulation (AR 264/2004)
- Regional Health Authority Collective Bargaining Regulation (AR 80/2003)

Land Agents Licensing Act

- Land Agents Licensing Regulation (AR 227/2001)

Land Surveyors Act

- Code of Ethics (AR 324/1982)
- Discipline Regulation (AR 325/1982)
- Examination and Training Regulation (AR 86/2003)
- Professional Practice Regulation (AR 327/1982)

Managerial Exclusion Act

- No regulations

MLA Compensation Act

- No regulations

Occupational Health and Safety Act

- Farming and Ranching Exemption Regulation (AR 27/1995)
- Occupational Health and Safety Code Order (AR 321/2003)
- Occupational Health and Safety Regulation (AR 62/2003)

Police Officers Collective Bargaining Act

- No regulations

Professional and Occupational Associations Registration Act

- Alberta Community Planner Regulation (AR 240/1989)
- Alberta Institute of Purchasing Management Regulation (AR 131/1989)
- Alberta Shorthand Reporters Regulation (AR 197/1996)
- Certified Management Consultants Regulation (AR 166/2005)
- Human Ecologist and Home Economist Regulation (AR 119/2002)
- Information Systems Professional Regulation (AR 39/1997)
- Local Government Managers Regulation (AR 52/2006)
- Municipal Assessor Regulation (AR 84/1994)
- Professional Biologists Regulation (AR 120/2002)
- Professional Chemists Regulation (AR 248/2001)
- Professional Electrical Contractors Regulation (AR 36/2004)
- School Business Officials Regulation (AR 37/2004)

Public Service Act

- No regulations

Public Service Employee Relations Act

- No regulations

Radiation Protection Act
- Radiation Protection Regulation (AR 182/2003)

Regulated Accounting Profession Act
- Certified General Accountants Regulation (AR 176/2001)
- Certified Management Accountants Regulation (AR 177/2001)
- Chartered Accountants Regulation (AR 178/2001)

Regulated Forestry Profession Act
- Expenses and Review Fees Regulation (AR 77/2002)
- Registered Professional Forest Technologists Regulation (AR 76/2002)
- Registered Professional Foresters Regulation (AR 75/2002)

Special Payment Act
- No regulations

Veterinary Profession Act
- Exemption Regulation (AR 43/1986)
- General Regulation (AR 44/1986)

Widows' Pension Act
- Widows' Pension Regulation (AR 166/1983)

Workers' Compensation Act
- Firefighters' Primary Site Cancer Regulation (AR 102/2003)
- Workers' Compensation Regulation (AR 325/2002)

The Minister of Human Resources and Employment continues to be designated as the Minister responsible for the following enactments:

- *Government Organization Act*, Schedule 3, section 1 - Career Development - Immigration Program
- *Government Organization Act*, Schedule 3, section 2 - Donations and Loans
- *Government Organization Act*, Schedule 8 - Joint Board of Practice - Architects Association and the Engineers Association
- *Government Organization Act*, Schedule 10, sections 2, 3, 4, 9 and 10 - Labour Statutes Delegation - The Ministers of Municipal Affairs and Human Resources and Employment have common responsibilities for these sections.
- *Government Organization Act*, Designation and Transfer of Responsibility Regulation (AR 44/2001) - The ministry is not responsible for this regulation, however it does list the Acts our Minister is responsible for.
- *Health Professions Act*, section 22 - The Deputy Minister of Human Resources and Employment has the authority to designate one employee to the Health Professions Advisory Board.

Appendix C

Ministry Office Locations

DEPARTMENT OF ALBERTA HUMAN RESOURCES AND EMPLOYMENT SERVICE OFFICES

ATHABASCA
Alberta Service Centre
300, Duniece Centre
4810 – 50 Street
Athabasca AB T9S 1C9
Phone: (780) 675-2243

BARRHEAD
Alberta Service Centre
PO Box 4517, Provincial Building
6203 – 49 Street
Barrhead AB T7N 1A4
Phone: (780) 674-8345

BONNYVILLE
Alberta Service Centre
Box 8115, New Park Place
5201 – 44 Street
Bonnyville AB T9N 2J4
Phone: (780) 826-4175

BOW CORRIDOR
District Office
301, Provincial Building
800 Railway Avenue
Canmore AB T1W 1P1
Phone: (403) 678-2363

BROOKS
District Office
200, 600 Cassils Road East
Brooks AB T1R 1M6
Phone: (403) 362-1278

CALGARY - EAST
Alberta Service Centre
Main Floor, 525 – 28 Street SE
Calgary AB T2A 6W9
Phone: (403) 297-1907

Canada-Alberta Service Centre
1502 Marlborough Mall
515 Marlborough Way NE
Calgary AB T2A 7E7
Phone: (403) 297-7570

Temporary Employment Programs
Spaeth Building
3805 – 29 Street NE
Calgary AB T1Y 6B5
Phone: (403) 297-7702

CALGARY - NORTH
Canada-Alberta Service Centre
One Executive Place
300, 1816 Crowchild Road NW
Calgary AB T2M 3Y7
Phone: (403) 297-3951

CALGARY - SOUTH/CENTRAL
Alberta Service Centre
Main Floor, RPW Building
1021 – 10 Avenue SW
Calgary AB T2R 0B7
Phone: (403) 297-5249

Labour Market Information Centre
5th Floor, Century Park Place
855 – 8 Avenue SW
Calgary AB T2P 3P1
Phone: (403) 297-6344

Canada-Alberta Service Centre
280, Harry Hays Building
220 – 4 Avenue SW
Calgary AB T2G 4X3
Phone: (403) 297-2867

Canada-Alberta Service Centre
PO Box 5175 Station A
100, 6712 Fisher Street SE
Calgary AB T2H 1X3
Phone: (403) 297-4024

Calgary Child Support Service
7th Floor, John J. Bowlen Building
620 – 7 Avenue SW
Calgary AB T2P 0Y8
Phone: (403) 297-8871

Employment Standards Storefront Operations
Main Floor, Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5
Phone: (780) 427-3731

Calgary Workplace Health & Safety
600 Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5
Phone: 1 (866) 415-8690

CAMROSE
Canada-Alberta Service Centre
2nd Floor, 4901 – 50 Avenue
Camrose AB T4V 0S2
Phone: (780) 608-2525

CLARESHOLM
District Office
Box 1650, Provincial Building
109 – 46 Avenue West
Claresholm AB T0L 0T0
Phone: (403) 625-4457

COLD LAKE
Alberta Service Centre
PO Box 698
408, 6501B – 51 Street
Cold Lake AB T9M 1P2
Phone: (780) 594-1984

CROWSNEST PASS
District Office
PO Box 870
Provincial Building
12501 – 20 Avenue
Blairmore AB T0K 0E0
Phone: (403) 562-3285

DRAYTON VALLEY

Sub-Office
PO Box 7595
2nd Floor, Provincial Building
5136 – 51 Avenue
Drayton Valley AB T7A 1S7
Phone: (780) 542-3134

DRUMHELLER

Alberta Service Centre
Box 2079
2nd Floor, Riverside Centre
180 Riverside Drive East
Drumheller AB T0J 0Y0
Phone: (403) 823-1616

EDMONTON - CITY CENTRE

Alberta Service Centre
3rd Floor, 10242 – 105 Street
Edmonton AB T5J 3L5
Phone: (780) 415-4900

EDMONTON - NORTH

Alberta Service Centre
200, 13415 Fort Road
Edmonton AB T5A 1C6
Phone: (780) 422-9440

Canada-Alberta Service Centre
Unit 2000, Northgate Centre
9499 – 137 Avenue
Edmonton AB T5E 5R8
Phone: (780) 422-9440

EDMONTON - SOUTH

Canada-Alberta Service Centre
Argyll Centre
6325 Gateway Boulevard NW
Edmonton AB T6H 5H6
Phone: (780) 644-2888

EDMONTON - WEST

District Office
200, Westcor Building
12323 Stony Plain Road
Edmonton AB T5N 4A9
Phone: (780) 415-6500

Canada-Alberta Service Centre
120 Meadowlark Shopping Centre
15710 – 87 Avenue
Edmonton AB T5R 5W9
Phone: (780) 415-8116

Child Support Service Office
9th Floor, Centre West Building
10035 – 108 Street
Edmonton AB T5J 3E1
Phone: (780) 415-6400

Employment Standards
Storefront Operations
Main Floor, Sterling Place
9940 – 106 Street
Edmonton AB T5K 2N2
Phone: (780) 427-3731

Workplace Health & Safety
North Region
10th Floor, South Tower
Capital Health Centre
10030 – 107 Street
Edmonton AB T5J 3E4
Phone: (780) 415-8690

EDSON

Canada-Alberta Service Centre
102, Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Phone: (780) 723-8317

Employment Standards
Mailing Address
PO Box 6780
4904 – 4 Avenue
Edson AB T7E 1V2

Walk-In Address
Canada-Alberta Service Centre
102, Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Phone: (780) 427-3731

FORT MCMURRAY

Canada-Alberta Service Centre
1st Floor, Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Phone: (780) 743-7192

Employment Standards
714, Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Phone: (780) 427-3731

GRANDE CACHE

District Office
PO Box 240
702 Pine Plaza Mall
Grande Cache AB T0E 0Y0
Phone: (780) 827-3335

GRANDE PRAIRIE

Canada-Alberta Service Centre
100, Towne Centre Mall
9845 – 99 Avenue
Grande Prairie AB T8V 0R3
Phone: (780) 538-6241

Employment Standards
3101, Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Phone: (780) 427-3731

Workplace Health & Safety
3101, Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Phone: 1 (866) 415-8690

HIGH LEVEL

Alberta Service Centre
Mail Bay 1000
9806 – 98 Street
High Level AB T0H 1Z0
Phone: (780) 841-4315

HIGH PRAIRIE

Alberta Service Centre
PO Box 849
2nd Floor, Provincial Building
5226 – 53 Avenue
High Priarie AB T0G 1E0
Phone: (780) 523-6650

HINTON

Alberta Service Centre
568 Carmichael Lane
Hinton AB T7V 1S8
Phone: (780) 865-8273

LAC LA BICHE

Alberta Service Centre
PO Box 420, Provincial Building
9503 Beaverhill Road
Lac La Biche AB T0A 2C0
Phone: (780) 623-5215

LEDUC
District Office
4901 – 50 Avenue
Leduc AB T9E 6M1
Phone: (780) 980-0557

LETHBRIDGE
Canada-Alberta Service Centre
Mail Bag 3014, Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: (403) 380-2272

Employment Standards
360, Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4C7
Phone: (780) 427-3731

Workplace Health & Safety
360, Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4C7
Phone: 1 (866) 415-8690

LLOYDMINSTER
Canada-Alberta Service Centre
5016 – 48 Street
Lloydminster AB T9V 0H8
Phone: (780) 871-6445

MEDICINE HAT
Canada-Alberta Service Centre
201 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: (403) 529-3550

Employment Standards
103, Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: (403) 529-3522

Workplace Health & Safety
103, Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: 1 (866) 415-8690

OLDS
Alberta Service Centre
PO Box 3810
4905 – 50 Avenue
Olds AB T4H 1P5
Phone: (403) 507-8060

PEACE RIVER
Alberta Service Centre
Bag 900-15, Midwest Building
9715 – 100 Street
Peace River AB T8S 1T4
Phone: (780) 624-6135

Employment Standards
Main Floor, Provincial Building
9621 – 96 Avenue
Peace River AB T8S 1T4
Phone: (780) 427-3731

PINCHER CREEK
Career Development Centre
Box 2138, 160 Provincial Building
782 Main Street
Pincher Creek AB T0K 1W0
Phone: (403) 627-1125

RED DEER
Alberta Service Centre
109, Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: (403) 340-5439

Canada-Alberta Service Centre
3rd Floor, First Red Deer Place
4911 – 51 Street
Red Deer AB T4N 6V4
Phone: (403) 340-5353

Employment Standards
2nd Floor, Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: (780) 427-3731

Workplace Health & Safety
2nd Floor, Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: 1 (866) 415-8690

ROCKY MOUNTAIN HOUSE
Alberta Service Centre
PO Box 1180
Main Floor, New Provincial Building
4919 – 51 Street
Rocky Mountain House AB T4T 1A8
Phone: (403) 845-8590

SHERWOOD PARK
District Office
Trillium Centre
121 Crimson Avenue
Sherwood Park AB T8H 2T5
Phone: (780) 464-7000

SLAVE LAKE
Canada-Alberta Service Centre
PO Box 70
2nd Floor, Lakeland Centre
101 Main Street South
Slave Lake AB T0G 2A0
Phone: (780) 849-7290

SPRUCE GROVE
Parkland District Office
PO Box 1230
200 Wesgrove Professional Building
131 – 1 Avenue
Spruce Grove AB T7X 2Z8
Phone: (780) 962-8681

ST. ALBERT
District Office
Provincial Building
30 Sir Winston Churchill Avenue
St. Albert AB T8N 3A3
Phone: (780) 458-9400

ST. PAUL
Canada-Alberta Service Centre
PO Box 309
5126 – 50 Avenue
St. Paul AB T0A 3A0
Phone: (780) 645-6473

Employment Standards
Mailing Address
PO Box 403, Courier Box 14
Provincial Building
5025 – 49 Avenue
St. Paul AB T0A 3A4

Walk-In Address
Canada-Alberta Service Centre
5126 – 50 Avenue
St. Paul AB T0A 3A0
Phone: (780) 427-3731

STETTLER
Alberta Service Centre
Postal Bag 600
4835 – 50 Street
Stettler AB T0C 2L0
Phone: (403) 742-7586

TABER
Sub-Office
Provincial Building
5011 – 49 Avenue
Taber AB T1G 1V9
Phone: (403) 223-7921

VEGREVILLE
Alberta Service Centre
PO Box 1590
5126 – 50 Avenue
Vegreville AB T9C 1S7
Phone: (780) 632-8686

VERMILION
Alberta Service Centre
PO Box 25, Provincial Building
4701 – 52 Avenue
Vermilion AB T9X 1J9
Phone: (780) 853-8164

WAINWRIGHT
Alberta Service Centre
19, Provincial Building
810 – 14 Avenue
Wainwright AB T9W 1R2
Phone: (780) 842-7500

WESTLOCK
Alberta Service Centre
10211A – 100 Street
Westlock AB T7P 2G5
Phone: (780) 349-7700

WETASKIWIN
Alberta Service Centre
Macadil Building
5201 – 51 Avenue
Wetaskiwin AB T9A 0V5
Phone: (780) 361-1272

WHITECOURT
Alberta Service Centre
Box 749
202 Midtown Mall
5115 – 49 Street
Whitecourt AB T7S 1N7
Phone: (780) 778-7149

AHRE CONTACT CENTRES
7th Floor, Park Plaza
10611 – 98 Avenue
Edmonton, AB T5K 2P7

Adult Health Benefits
Phone: (780) 644-1365
Toll-free:1 (866) 252-5783

Alberta Works
Phone: (780) 644-5135
Toll-free: 1 (866) 644-5134

Canada-Alberta JOBS
Phone: (780) 427-5627
Toll-free: 1 (800) 999-1546

Career Information Hotline
Phone: (780) 422-4266
Toll-free: 1 (800) 661-3753

Child Health Benefits
Phone: (780) 427-6848
Toll-free: 1 (877) 469-5437

Employment Standards
Phone: (780) 427-3731
Toll-free: 310-0000

Student Funding
Phone: (780) 427-3722
Toll-free: 1 (800) 222-6485

Workplace Health & Safety
Phone: (780) 415-8690
Toll-free: 1 (866) 415-8690

PERSONNEL ADMINISTRATION OFFICE

EDMONTON
6th Floor
Peace Hills Trust Tower
10011 – 109 Street
Edmonton AB T5J 3S8
Phone: (780) 408-8400

ALBERTA LABOUR RELATIONS BOARD

EDMONTON
503, Labour Building
10808 – 99 Avenue
Edmonton AB T5K 0G5
Phone: (780) 427-8547

CALGARY
3rd Floor, Deerfoot Junction
Tower 3
1212 – 31 Avenue NE
Calgary AB T2E 7S8
Phone: (403) 297-4334

APPEALS COMMISSION

EDMONTON
Energy Square Building
#901, 10109 – 106 Street
Edmonton AB T5J 3L7
Phone: (780) 412-8700

CALGARY
Braithwaite Boyle Building
#206, 1701 Centre Street North
Calgary AB T2E 7Y2
Phone: (403) 508-8800

WORKERS' COMPENSATION BOARD – Alberta

EDMONTON
PO Box 2415
9912 – 107 Street
Edmonton AB T5J 2S5
Phone: (780) 498-3999
Toll-free: 1 (866) 922-9221

CALGARY
300 – 6 Avenue SE
Calgary AB T2G 0G5
Phone: (403) 517-6000

Appendix D

Alphabetical List Of Entities' Financial Statements In Ministry 2005/2006 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Access to the Future Fund[1]	Advanced Education
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Local Authorities Pension Plan Corporation[2]	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors and Community Supports
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Advanced Education	Advanced Education
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Education	Education

[1] Established July 10, 2005.
[2] Incorporated December 16, 2005

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[1]	Aboriginal Affairs and Northern Development
Ministry of Advanced Education	Advanced Education
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[1]	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environment[1]	Environment
Ministry of Executive Council[1]	Executive Council
Ministry of Finance	Finance
Ministry of Gaming	Gaming
Ministry of Government Services[1]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[1]	Human Resources and Employment
Ministry of Infrastructure and Transportation[1]	Infrastructure and Transportation
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[1]	International and Intergovernmental Relations
Ministry of Justice[1]	Justice
Ministry of Municipal Affairs[1]	Municipal Affairs
Ministry of Restructuring and Government Efficiency[1]	Restructuring and Government Efficiency
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board	Seniors and Community Supports

[1] Ministry includes only the departments so separate departmental financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Safety Codes Council	Municipal Affairs
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Community Development

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	Ministry Annual Report
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

SCHOOL, UNIVERSITIES, COLLEGES AND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS[4]

School Boards and Schools	Ministry Annual Report
Almadina School Society	Education
Aspen View Regional Division No. 19	Education
Aurora School Ltd.	Education
Battle River Regional Division No. 31	Education
Black Gold Regional Division No. 18	Education
Boyle Street Education Centre	Education
Buffalo Trail Public Schools Regional Division No. 28	Education
Calgary Arts Academy Society	Education
Calgary Girls' School Society	Education
Calgary Roman Catholic Separate School District No. 1	Education
Calgary School District No. 19	Education
Calgary Science School Society	Education

[4] The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.

SCHOOL, UNIVERSITIES, COLLEGES AND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS[4]

School Boards and Schools	Ministry Annual Report
Canadian Rockies Regional Division No. 12	Education
CAPE-Centre for Academic and Personal Excellence Institute	Education
Chinook's Edge School Division No. 73	Education
Christ the Redeemer Catholic Separate Regional Division No. 3	Education
Clearview School Division No. 71	Education
East Central Alberta Catholic Separate Schools Regional Division No. 16	Education
East Central Francophone Education Region No. 3	Education
Edmonton Catholic Separate School District No. 7	Education
Edmonton School District No. 7	Education
Elk Island Catholic Separate Regional Division No. 41	Education
Elk Island Public Schools Regional Division No. 14	Education
Evergreen Catholic Separate Regional Division No. 2	Education
Foothills School Division No. 38	Education
Fort McMurray Roman Catholic Separate School District No. 32	Education
Fort McMurray School District No. 2833	Education
Fort Vermilion School Division No. 52	Education
Foundations for the Future Charter Academy Charter School Society	Education
Golden Hills School Division No. 75	Education
Grande Prairie Roman Catholic Separate School District No. 28	Education
Grande Prairie Public School District No. 2357	Education
Grande Yellowhead Regional Division No. 35	Education
Grasslands Regional Division No. 6	Education
Greater North Central Francophone Education Region No. 2	Education
Greater Southern Public Francophone Education Region No. 4	Education
Greater Southern Separate Catholic Francophone Education Region No. 4	Education
Greater St. Albert Catholic Regional Division No. 29	Education
High Prairie School Division No. 48	Education
Holy Family Catholic Regional Division No. 37	Education
Holy Spirit Roman Catholic Separate Regional Division No. 4	Education
Horizon School Division No. 67	Education
Lakeland Roman Catholic Separate School District No. 150	Education
Lethbridge School District No. 51	Education
Living Waters Catholic Regional Division No. 42	Education
Livingstone Range School Division No. 68	Education
Medicine Hat Catholic Separate Regional Division No. 20	Education
Medicine Hat School District No. 76	Education
Moberly Hall School Society	Education
Mother Earth's Children's Charter School Society	Education
New Horizons Charter School Society	Education
Northern Gateway Regional Division No. 10	Education
Northern Lights School Division No. 69	Education
Northland School Division No. 61	Education

[4] The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.

SCHOOL, UNIVERSITIES, COLLEGES AND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS[4]

School Boards and Schools	Ministry Annual Report
Northwest Francophone Education Region No. 1	Education
Palliser Regional Division No. 26	Education
Parkland School Division No. 70	Education
Peace River School Division No. 10	Education
Peace Wapiti School Division No. 76	Education
Pembina Hills Regional Division No. 7	Education
Prairie Land Regional Division No. 25	Education
Prairie Rose Regional Division No. 8	Education
Red Deer Catholic Regional Division No. 39	Education
Red Deer School District No. 104	Education
Rocky View School Division No. 41	Education
St. Albert Protestant Separate School District No. 6	Education
St. Paul Education Regional Division No. 1	Education
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	Education
Sturgeon School Division No. 24	Education
Suzuki Charter School Society	Education
Westmount Charter School Society	Education
Westwind School Division No. 74	Education
Wetaskiwin Regional Division No. 11	Education
Wild Rose School Division No. 66	Education
Wolf Creek School Division No. 72	Education

Universities	Ministry Annual Report
Athabasca University	Advanced Education
The University of Alberta	Advanced Education
The University of Calgary	Advanced Education
The University of Lethbridge	Advanced Education

Colleges	Ministry Annual Report
Alberta College of Art and Design	Advanced Education
Bow Valley College	Advanced Education
Grande Prairie Regional College	Advanced Education
Grant MacEwan College	Advanced Education
Keyano College	Advanced Education
Lakeland College	Advanced Education
Lethbridge Community College	Advanced Education
Medicine Hat College	Advanced Education
Mount Royal College	Advanced Education
NorQuest College	Advanced Education
Northern Lakes College	Advanced Education
Olds College	Advanced Education
Portage College	Advanced Education
Red Deer College	Advanced Education

[4] The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.

SCHOOL, UNIVERSITIES, COLLEGES AND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS[4]

Technical Institutes and The Banff Centre	Ministry Annual Report
Northern Alberta Institute of Technology	Advanced Education
Southern Alberta Institute of Technology	Advanced Education
The Banff Centre for Continuing Education	Advanced Education

Regional Health Authorities and Other Health Institutions	Ministry Annual Report
Alberta Cancer Board	Health and Wellness
Alberta Mental Health Board	Health and Wellness
Aspen Regional Health Authority	Health and Wellness
Calgary Health Region	Health and Wellness
Capital Health	Health and Wellness
Chinook Regional Health Authority	Health and Wellness
David Thompson Regional Health Authority	Health and Wellness
East Central Health	Health and Wellness
Northern Lights Regional Health Authority	Health and Wellness
Peace Country Health	Health and Wellness
Palliser Health Region	Health and Wellness

[4] The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.

Appendix E

Department of Human Resources and Employment

Performance Measures Source and Methodology

The following information is a summary of the Department of Human Resources and Employment's (AHRE) performance measures methodologies for the results reported in the Results Analysis Section.

KEY PERFORMANCE MEASURE 1.a
Percentage of Child Support Services for whom a support order or agreement is obtained.

Methodology
The intended outcome of Child Support Services is to have an order or agreement in place, regardless of when the order or agreement is obtained (e.g., obtained in a previous year), to ensure the child support amount is appropriate and enforceable by the appropriate agency (e.g., Alberta Justice Maintenance Enforcement Program).

Each time an eligible client applies for Income Support, which can occur more than once per year, the client is automatically referred to Child Support Services. Subsequently, Child Support Services allocates resources to open the client's file, review new information if any, work to ensure an order or agreement is in place where appropriate, and eventually close the file.

The performance measure result is based on the cumulative total of monthly Child Support Services file closures. This excludes those files determined, after a Child Support Services assessment, to have no potential for child support order or agreement (due to reasons such as no ability to pay, whereabouts unknown, respondent deceased, couple reconciled, etc.). This result forms the denominator, from which the number of files with an order or agreement in place at the time of file closure is used to determine the numerator. Results from April 2005 to March 2006 are reported as a percentage of the cumulative total of monthly file closures with a support order or agreement.

KEY PERFORMANCE MEASURE 1.b
Satisfaction of individuals who have received selected income support and health benefit programs:

- Income Support

Methodology
An independent consultant is retained to follow up on participants under the Work Outcomes Reporting Project (WORP) to contact former Income Support program participants. The survey question for this performance measure was "overall, how satisfied were you with the social assistance services you received?" The margin of error is estimated to be ±1.3% at a 95% confidence level. Participants in Income Support program are now surveyed three months rather than six months after their income support file is closed.

- Alberta Child Health Benefit recipient families

Methodology
A telephone survey is conducted by independent consultants every two years to measure satisfaction levels of families receiving the Alberta Child Health Benefit (ACHB). The survey question for this performance measure was "Overall, how satisfied are you with the benefits available for your children

under the Alberta Child Health Benefit Program? Would you say you are: 1. Very satisfied, 2. Somewhat satisfied, 3. Somewhat dissatisfied, or 4. Very dissatisfied."

SUPPLEMENTAL INFORMATION 1.1
Caseloads

Additional Information

Income Support: Working – Supplement to Earnings, People Expected to Work and People Not Expected to Work
The results reported are counts of number of cases, instead of number of people served (i.e., a case can include several people), which is determined on the last day of the month.

Fiscal year monthly average = sum of 12 monthly case counts / 12 months

Income Support: Widows' Pension
Fiscal year monthly average = sum of 12 monthly case counts / 12 months

Income Support: Learners
Counts include full-time and part-time provincial and federal learners receiving income support and/or training allowance. Number of learners is the yearly number of students assisted, not a monthly average. These learners are in tuition-based training only.

ACHB and AAHB
Fiscal year monthly average = sum of 12 monthly case counts / 12 months

Child Support Services
Income support program savings are maximized when child support arrangements are in place prior to income support file closure.

SUPPLEMENTAL INFORMATION 1.2
Income Support cases (Expected to Work and Not Expected to Work) as a % of Alberta's Working Population (ages 15-64). 2003-04 Actual: 1.3%

Additional Information
The result is reported as a 12-month average of the monthly percentages of Income Support cases in Alberta's working-age population. The monthly percentage is calculated by dividing monthly Income Support caseload by monthly Working-Age Population.

KEY PERFORMANCE MEASURE 2.a
Percentage of participants employed post-intervention.

Methodology
Percentage of participants employed post-intervention includes those in Work Foundations (WF) and Training for Work (TFW) programs and services (including Job Placement (JP)). An independent consultant is retained through the Work Outcomes Reporting Project (WORP) to contact former program participants three months after they leave the programs. Participants are asked questions from the applicable WORP questionnaire. All respondents are contacted through telephone surveys. Estimated margin of error rates for each survey are JP (±2.4%), WF (±1.7%), and TFW (±1.7%) at a 95% confidence level. For the Apprenticeship program, Advanced Education conducts a *Graduates of Apprenticeship Survey*. Estimated margin of error rate for the Apprenticeship is ±1.7% at a 95% confidence level.

The number of participants for each program is obtained from various sources such as: Career Assistance Information System (CAIS), Human Resources and Social Development Canada/Alberta Advanced Education Results Dataset

Analysis and WORP. A program is assigned a weighted value based on volume counts. These values are calculated by dividing the number of participants for a particular program by the total number of participants in all programs. The percentage of WF/TFW/JP participants employed post-intervention is obtained through the WORP reports (2005/2006). The file is filtered to participants leaving those programs during the fiscal year. A frequency is generated for the question "Have you been employed at any time since you left <program name>?" The percentage of Apprenticeship participants employed post-intervention is obtained from the Graduates of Apprenticeship Satisfaction Survey (2004/2005). The weighted value for each program is obtained by multiplying the percentage of participants employed in a particular program by the volume weighting for that program. The weighted values for all programs are added together to obtain the final, overall figure.

KEY PERFORMANCE MEASURE 2.b

Percentage of clients reporting satisfaction with the program/service

- Career Information

Methodology

Career Development Information Services

Satisfaction with Career Development Services is based on a random sample of former Career Development Services program participants. A frequency is generated for the question "how satisfied were you with the training overall?" The accuracy of the data is estimated to be ±0.5% at a 95% confidence level. Results for this measure are obtained through WORP-based survey. For detailed information on WORP, see Key Performance Measure 2.a.

Career Development Workshops

This is a survey of Career Development Workshops participants who are followed up by an independent contractor three months after leaving the program. Client satisfaction is obtained from the question "how satisfied were you with the training overall?" The margin of error is estimated to be ±1.0% at a 95% confidence level. Results for this measure are obtained through WORP-based survey. For detailed information on WORP, see Key Performance Measure 2.a.

ALIS Website

The ALIS website satisfaction survey is conducted by an independent consultant. This survey includes questions on overall satisfaction with ALIS, satisfaction with specific feature of ALIS, importance of various features of ALIS as well as the overall benefits on the sites. Survey respondents were asked the question: "Overall, how satisfied are you with the ALIS website in providing career, learning, and employment information and services". The estimated margin of error is ±4.6% at a 95% confidence level.

The results reported in 2004/2005 (see 2004/2005 Annual Report, page 56) are not comparable to the 2005/2006 results. Results reported in 2004/2005 were from the Student Finance Client Satisfaction Survey conducted by the Ministry of Advanced Education, which included similar data on user satisfaction with the ALIS website. For 2005/2006, the Department used results from their own ALIS triennial survey.

Labour Market Information Centre Services

The Labour Market Information Centre (LMIC) Client Satisfaction survey is conducted every two years by AHRE.

Canada-Alberta Job Order Bank Services
An independent consultant conducts the Job Order Bank Services telephone survey with Alberta employers biennially.

Materials and Resources
An independent consultant conducts the Workplace and Labour Market Information Products Customer Satisfaction Survey. Client satisfaction is obtained from the question "Overall, how satisfied are you with Career and Workplace Resources publications?" The satisfaction rate is the average of the rate for individual and employers and the rate for professionals (i.e., educators and career practitioners). Estimated margin of error is ±5.0% at a 95% confidence level.

Career Information Hotline (CIH)
A satisfaction survey of clients who access CIH services by telephone is conducted using the Speech Automated Survey System (SASS) supported by an external partner, VoiceLink. Callers are notified of the survey at the beginning of the call. Once the call is complete, consenting callers are transferred into SASS where a professionally recorded personality greets them and walks them through the survey. Client satisfaction is obtained from the question "Overall, how satisfied were you with the service provided by the CIH?" Percentage of clients who responded 'Very Satisfied' or 'Somewhat Satisfied' is readily available from the online Survey Summary. Callers are not randomly sampled so margin of error estimates do not apply.

- Work Foundations
- Training for Work

Methodology
For participants in each program, a frequency is generated for the question "how satisfied were you with the training overall?" Estimated margin of error is ±1.7% for Training for Work and ±1.8% for Work Foundations at a 95% confidence level. For detailed information on the WORP survey, see Key Performance Measure 2.a 'Participants Employed Post-Intervention'.

SUPPLEMENTAL INFORMATION 2.1
Number of participants in Work Foundation/Training for Work program and services.

Additional Information
The number of participants for each program is obtained from Career Assistance Information System (CAIS), and the Human Resources and Social Development Canada/Alberta Advanced Education Results Dataset. All participants include funded and self-sponsored learners. The count matches the same months on which the survey data is based.

SUPPLEMENTAL INFORMATION 2.2
Percentage of participants employed post-intervention by special group type.

Additional Information
Individuals may be counted in more than one special group type. All numbers for Aboriginal learners and learners with disabilities are preliminary and subject to refinement, and refer to only those clients in employment/training programs and job placement and those who have identified themselves as a member of a special group. Aboriginal respondents and Persons with Disabilities are self-reported. Immigrants are defined as individuals who answered "no" to the question that appears on all surveys: "Were you born in Canada?" See Key Performance Measure 2.a for additional information about the Work Outcome Reporting Project (WORP) survey.

SUPPLEMENTAL INFORMATION 2.3
Use of career and labour market information services.

Additional Information
Count includes services provided by AHRE Service Centres and services provided by external service providers.

KEY PERFORMANCE MEASURE 3.a
Inter-provincial rank of labour force participation

Methodology
The labour force participation rate is a measure of the proportion of an economy's working-age population that is economically active. Monthly Labour Force Survey (LFS) Statistics are distributed by Statistics Canada. The Data Development and Evaluation Branch compiles relevant information and generates reports on the labour force participation rate of Alberta.

SUPPLEMENTAL INFORMATION 3.1
Number of occupational groupings that are in a skill shortage situation as defined by an unemployment rate that is below 3%.

Additional Information
A skill shortage situation is defined by an unemployment rate below 3%, where the demand for labour is greater than the supply. Statistics Canada surveys households each month and provides employment information for 53 occupational groups. Occupational groupings or categories are the general terms for the occupations listed in NOC-S, or National Occupational Classification for Statistics, which is used by Statistics Canada to categorize occupations. For more information on NOC-S, check out: http://www.statcan.ca/english/Subjects/Standard/soc/2001/nocs01-index.htm. Unemployment rates are determined for each of the 53 occupational groups. This number is calculated by dividing the number of people who are unemployed by the number of people in the labour force. Data is reported as a twelve month moving average, based on calendar year (Statistics Canada, Labour Force Survey Microdata). Caution on sample size: some unemployment rates are calculated using suppressed data. Statistics Canada does not report this number if the number of unemployed in a particular occupation is below 1,500. In this case, AHRE calculates the number of unemployed for these occupations by subtracting the number employed from the number in the labour force.

SUPPLEMENTAL INFORMATION 3.2
Broad Occupational Categories with an unemployment rate below 3%.

Additional Information
For methodology details, see Supplemental Information 3.1 'Number of occupational groupings that are in a skill shortage situation as defined by an unemployment rate that is below 3%'.

SUPPLEMENTAL INFORMATION 3.3
Labour productivity: Inter-provincial rank of real GDP in dollars per hour worked.

Additional Information
Result of this measure represents inter-provincial ranking of labour productivity where #1 is the highest in Canada. The Centre for the Studies of Living Standards (CSLS) is scheduled to release national labour productivity data annually.

KEY PERFORMANCE MEASURE 4.a
Lost-Time Claim Rate:
- Number of lost time claims per100 person-years worked.

Methodology
The LTC rate represents the probability, or risk, of disabling injury or disease to a worker during a period of one year's work. The measure indicates the number of lost-time claims per 100 person-years worked to indicate increases or decreases in this risk.

The Workers' Compensation Board - Alberta (WCB) records a LTC when a worker, his/her physician, or his/her employer submits an injury report form. The WCB collects this information and provides the data files to Human Resources and Employment (HRE) for analysis. The LTC rate is reported by calendar year and is calculated by HRE using the following formula:

$$\text{LTC Rate} = \frac{\text{Number of LTC}}{\text{Estimated Person-Years*}} \times 100$$

** One person-year is equivalent to one full-time worker working for one year, or 2,000 hours worked.*

In 2005/2006, the data collection methodology was updated, which resulted in strengthened industry coverage and a stricter definition of a lost-time claim due to exclusion of claims where workers returned to modified work after an injury and had no time lost.

KEY PERFORMANCE MEASURE 4.b
Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).

Methodology
This measure refers to the percentage of Collective Bargaining Agreements (CBAs) that have been successfully negotiated and ratified by the parties involved without a work stoppage.

AHRE collects data on the number of collective bargaining agreements settled without a work stoppage and the number of legal strikes/lockouts. This measure does not include data on illegal strikes and lockouts. This measure is reported by fiscal year and is calculated by HRE using the following formula:

$$\%\text{ of CBAs settled without a work stoppage*} = \frac{\#\text{ of settled CBAs} - \#\text{ of settlements}}{\#\text{ of settled CBAs}} \times 100\%$$

* This measure includes data from all contracts under the Alberta Labour Relations Code and the Police Officers' Collective Bargaining Act. Contracts covered under other legislation are excluded (i.e., contracts under the Public Service Employees Relations Act, Federal jurisdiction, the Post Secondary Learning Act).

KEY PERFORMANCE MEASURE 4.c
Satisfaction of individuals and organizations which have used selected workplace programs and services:

- Workplace Health and Safety Contact Centre
- Employment Standards Contact Centre

Methodology
A satisfaction survey of clients who access the two contact centres by telephone is conducted using the Speech Automated Survey System (SASS) supported by an external partner, VoiceLink. Client satisfaction results are reported separated for the two contact centres and are obtained from the question "Overall, how satisfied were you with the service provided by the Workplace Health and Safety Contact Centre/Employment Standards Contact Centre?" For detailed information on SASS, see Key Performance Measure 2.b Career Information Hotline. Callers are not randomly sampled so margin of error estimates do not apply.

SUPPLEMENTAL INFORMATION 4.1
Percentage change in the lost-time claim rate for targeted employers – employers with a poor health and safety record.

Additional Information
AHRE targets employers who have high rates of injury and disease and works with them to improve workplace health and safety performance. The analysis is based on employers who have active Workers' Compensation Board - Alberta (WCB) accounts in both 2004 and 2005 and have at least one visit from an Occupational Health and Safety officer.

For information on the Lost-time Claim Rate methodology, see Key Performance Measure 4.a.

SUPPLEMENTAL INFORMATION 4.2
Percentage of the public aware of workplace health and safety.

Additional Information
A telephone survey was conducted by an independent consultant. The margin of error is estimated to be ±3.1%, 19 times in 20.

SUPPLEMENTAL INFORMATION 4.3
Percentage change in the number of Certificate of Recognition (COR) holders.

Additional Information
A Certificate of Recognition (COR) is given to employers who develop health and safety programs that meet established standards. Certificates are issued by Certifying Partners and are co-signed by AHRE.

This measure is calculated as a count of the number of COR holders as at the last working day of March 2005, compared to the number of COR holders as at the last working day of March 2006.

SUPPLEMENTAL INFORMATION 4.4
Lost-Time Claim Rate for Certificate of Recognition (COR) holders compared to non-COR holders within selected industry sectors.

Additional Information
This measure is based on a calendar year and the number of COR holders is based on the last working day of December for the reference year.

The industries grouped in each of these sectors may change from year to year due to changes in the industry or business area.

For information on the Lost-time Claim Rate methodology, see Key Performance Measure 4.a. For information on the COR, see Supplemental Information 4.3.

SUPPLEMENTAL INFORMATION 4.5
Use of workplace information services.

Additional Information
Contact Centre data: In 2003/2004, 2004/2005 and 2005/2006, only calls answered are reported.

Website visits data: A visit is a series of actions that begins when a visitor views the first page from the server, and ends when the visitor leaves the site or remains idle beyond the idle-time limit. The default idle-time limit is thirty minutes. The visits count includes both website visits and PDF visits.